



House of Commons Debates

VOLUME 133

NUMBER 028

1st SESSION

35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Wednesday, February 23, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Wednesday, February 23, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

BLACK HISTORY MONTH

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise today to recognize February as Black History Month.

The celebration of Black History Month is a focal point of pride for black Canadians whose presence in Canada can be traced to at least 1605 when Mattieu Da Costa accompanied Samuel de Champlain as an interpreter to Nova Scotia.

Since that time, politicians, writers, artists, educators, historians and many others have added to the social, cultural and economic fabric of Canadian life.

This is most definitely the case in Nova Scotia where there are many prominent citizens of Afro-Canadian origin whose work affects many Nova Scotians and Canadians. Wayne Adams, Nova Scotia's first Afro-Canadian MLA and cabinet minister, Maxine Tynes, prominent poet and writer, Joan Jones, a recent recipient of the Pearson Award, Dr. Carey Best and Sylvia and Marie Hamilton are just a few Nova Scotians of African origin whose contributions have been recognized by their peers.

Black History Month pays homage to the essential contribution of black people and their collective history to the fabric of Canadian life. Let us pay tribute to this vital part of Canadian heritage, not only during February but throughout the year.

* * *

[*Translation*]

WINTER OLYMPICS

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, again Quebecer Myriam Bédard gladdened our hearts today in Lillehammer, when she won a second gold medal for the biathlon, a first for an athlete from Quebec and Canada. The Bloc Québécois hopes that this second brilliant performance by Ms. Bédard

will convince everyone without exception of her tremendous talent.

However, I am appalled by those who, to quote journalist J.V. Dufresne "ooze contempt and envy where Quebec is concerned". Ms. Bédard has already shown she was able to overcome all the problems caused by Biathlon Canada. With her courage and determination, this young woman has made her dreams come true and has met the highest standards of her sport. She is a shining example for all Quebecers.

Myriam, on behalf of the people of the riding of Charlesbourg and all Quebecers, we offer you our admiration and congratulations.

* * *

[*English*]

WORLD CUP BIATHLON

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, on the heels of the winter Olympics there will be a world class sporting event in the riding I represent, Yellowhead, in Alberta.

From March 10 to 13, the town of Hinton will be hosting the world cup biathlon races at Athabasca Nordic Centre. The biathlon, which is a sport combining cross country skiing and rifle shooting, will bring an estimated \$2 million in spending to our country.

Twenty-one countries and 238 coaches and athletes, many of whom are now competing in the winter Olympics, will be in Hinton for the world cup. The proud people of Hinton will have two local athletes to cheer on. Kevin Quintilio and Nicole Bressard, who belong to the Hinton Nordic Skiers Club, are world class biathletes who will make not only the people of Hinton proud but the people of Canada proud as well.

I thank all the participating countries for flags received. May I ask all members to join me in cheering on Canada's national team.

* * *

(1405)

CANADA STUDENT LOANS

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, like many of my colleagues, I received Valentine's Day messages. One particular message was of great interest because it asked us all together to remove this pernicious bill that

S. O. 31

prevents students from enjoying a six-month grace free period after graduation to find a job.

This particular bill removes \$35 million from the pockets of students.

[*Translation*]

Mr. Speaker, I ask that together we try to improve access to post-secondary education for all Canadians and improve the Canada student loans program. Let us show how much education means to us.

* * *

WINTER OLYMPICS

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, though we live in difficult times, the Winter Olympics remain a symbol of nations gathering under one flag, the flag of universal brotherhood and peace.

[*English*]

I am very proud that a constituent from my riding of Restigouche—Chaleur, Allain Roy, is representing not only Canada but northern New Brunswick at the XVII Winter Olympic Games.

Allain is competing in Lillehammer with Canada's national hockey team.

[*Translation*]

I wish Alain and his teammates good luck. I know they will represent Canada with honour and pride, not only on the ice but also by making the spirit of these games a part of their lives.

[*English*]

On behalf of all citizens of Restigouche—Chaleur and all members of the House, I would like to congratulate Allain and all of our Canadian Olympic athletes.

* * *

TORONTO DAILY BREAD FOOD BANK

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, I rise at this moment to make an urgent appeal on behalf of the metro Toronto Daily Bread Food Bank.

It has been brought to my attention that the food bank has been enduring difficult times this winter. Currently there is only a three week supply of food. It needs at least seven more weeks worth of inventory in order to sustain itself until the Easter food drive.

Food banks serve approximately 160,000 children and adults per month. With public donations on the decline the food bank is finding it increasingly difficult to meet such high demand.

Traditionally Canadians have understood the importance of groups and organizations which provide assistance to those individuals less fortunate.

In keeping with this tradition, I call on my colleagues from the metro Toronto area to ensure their food bank is not forgotten and to encourage all the residents of their respective ridings to provide all possible donations for the continued survival of such a worthy cause.

* * *

[*Translation*]

WINTER OLYMPICS

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, on behalf of all Quebecers, we would like to extend our heartfelt congratulations to the four female athletes from Quebec who captured a silver medal yesterday in Lillehammer in the women's speed skating relay event.

The relay team composed of Sylvie Daigle of Sherbrooke and of Christine Boudrias, Isabelle Charest and Nathalie Lambert of Montreal—Nathalie Lambert in fact hails from my riding—enthralled us with their teamwork. These four athletes displayed remarkable courage and perseverance.

The spotlight also shone on Quebec yesterday when another of its native sons won a bronze medal in men's speed skating. Marc Gagnon of Chicoutimi, the world champion over 1,000 metres, gave his all in this race. We are proud of him and indeed of all the athletes from Quebec who took part in this event.

The Bloc Quebecois congratulates all of our athletes competing in Lillehammer. They are a credit to us all.

* * *

[*English*]

MAX MCLEAN

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I rise today to pay tribute to and congratulate Mr. Max McLean of Camrose, Alberta. Mr. McLean was recently named "Moose Citizen of the Year" by the local chamber of commerce.

This award is presented each year to a person who has made outstanding contributions to the community. As a full time volunteer, Max has devoted his energy and enthusiasm to canvassing for the Canadian Cancer Society, selling journals for the Canadian Diabetic Association and helping to raise money for Ronald McDonald House.

Max's extensive involvement in the community spans almost 50 years of dedicated service to his community. May Max McLean, who believes volunteers play an important role in making Camrose a better place to live, be a model for all Canadians.

S. O. 31

NOVA SCOTIA TEACHERS' COLLEGE

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, Nova Scotia cannot afford to lose any more of its centres of excellence.

In my home town of Truro we run the risk of closure of the Nova Scotia Teachers' College because we train more teachers than we have jobs for.

(1410)

Superintendents of schools across Canada have acknowledged the high quality training these teachers receive. CIDA and the Association of Canadian Community Colleges purchase training space for Third World teachers.

We recognize that we cannot afford duplication in educational facilities but I would like to recommend the expansion rather than the closure. We could bring the best teaching professionals to Truro and on a fee for service train teachers for the world market.

At least once a year the United States comes to Nova Scotia to recruit various trained professionals. I recommend that we capitalize on our long tradition of educational expertise and market this great resource.

* * *

CHAMBER OF MARITIME COMMERCE

Mr. Stan Dromisky (Thunder Bay—Atikokan): Mr. Speaker, I have the honour today of announcing the restructuring of the Chamber of Maritime Commerce. Established in 1959, this organization brings together all those who depend upon a viable Canadian maritime transport industry.

The recent reformation includes establishment of a board of governors that will interact with governments at all levels. The chamber's representation extends from western Canadian grain producers, Ontario steel, coal, aggregate, salt and cement interests, Quebec ore mines and Atlantic Canada shippers to the ports which facilitate these trades.

It is apparent that with such a cross section of industries crucial to Canada's economy, the chamber will provide a united, proactive voice for the growth of industrial Canada.

I would like to take this opportunity in welcoming the Chamber of Maritime Commerce in the pursuit of this common goal.

* * *

FORESTRY

Mr. Joe Fontana (London East): Mr. Speaker, as the chair of the Canada-Europe Parliamentary Association I was pleased to

hear my colleague from Kootenay East remark on the success of the 21st annual Canada-Europe interparliamentary meeting held in Vancouver.

While we discussed many issues of importance to the relations between Canada and Europe, our greatest success was showing the European delegates that Canada is at the forefront of progressive forestry practices.

I want to thank all the delegates, Canadian and European, for their frank and constructive input. At the end of our deliberations I believe we found common ground and solved a potentially disastrous problem.

News reports have confirmed the ultimate success of the meetings. My hope for this association is to foster a greater understanding among European parliamentarians of Canadian policies and positions, even those of alternative points of view.

Reports in *La Presse* suggest the change in venue from Quebec City to Vancouver reflected a reluctance on the association's part to discuss the political issues of Quebec. Nothing could be further from the truth. Both executives agreed to the change in venue.

I need only remind the members of the serious economic repercussions a ban on wood products exported to Europe would have on communities across Canada.

* * *

[Translation]

COLLÈGE MILITAIRE DE SAINT-JEAN

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, it is a well-known fact that Quebec has traditionally been disadvantaged in the distribution of defence expenditures, of which it receives only 15.8 per cent. With yesterday's budget, the federal government seemed to indicate that such inequity would continue and actually intensify.

The Collège militaire de Saint-Jean, a university-level educational institution, a stronghold of recognized francophone expertise in strategic studies, space science and computer science, the only gateway to a career as a military officer for francophones, the one and only French-speaking military college in Canada, is about to disappear. Removed from this environment, French-speaking military education will become a mere shadow of its former self and be swallowed up by the very unilingual Royal Military College in Kingston.

By axing the Collège militaire royal de Saint-Jean, which is really a French Canadian institution, the federal government is giving a clear indication of how little regard it has for francophones in Quebec and in Canada.

*Oral Questions**[English]***INDIAN AFFAIRS**

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my statement concerns questions raised in this House yesterday.

I am the spokesperson for my party on aboriginal affairs and I am deeply and personally offended by comments made inside and outside the House about my colleagues in caucus by other hon. members regarding our attitudes toward our native brothers and sisters.

There are philosophical differences between members of parties in this House. Let us not slur each other. Instead, let us hope for light to shine in and assist members in arriving at a reasonable and acceptable conclusion.

I will not rest nor will I be satisfied until one hon. member opposite apologizes for remarks made about me and my colleagues.

* * *

(1415)

*[Translation]***THE BUDGET**

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, the people of Bonaventure—Îles-de-la-Madeleine, like all Canadians, applaud the budget tabled yesterday because it closes tax legislation loopholes by, among other things, reducing from 80 per cent to 50 per cent the deduction for meals and entertainment.

I have good news for you. The government's budget does away with certain deductions accorded corporations with capital of over \$15 million. It also eliminates the \$100,000 capital gains exemption only benefiting higher income Canadians, like those in the opposition.

This government will prevent Canadian-based companies from using foreign affiliates to avoid paying taxes. In addition, the House of Commons finance committee, at the opposition's request, will once again review the taxation of family trusts. It is good to see that this government listens to the people and honours its election promises of social justice and human dignity in Canada.

* * *

*[English]***SMALL BUSINESS**

Mr. Harbance Singh Dhaliwal (Vancouver South): Mr. Speaker, yesterday the finance minister announced that the budget would be responsive to the needs of Canada's small

business sector. Coming from a small business background myself, I could not agree more.

Payroll taxes have long been a thorn in the side of small businesses, in effect taxing job creation. The decision by the Minister of Finance to roll back the 1995 UI premium will save industry \$300 million next year alone.

On behalf of the small businesses in Canada I would like to congratulate the minister on this bold and responsive initiative which we expect will significantly help job creation.

* * *

*[Translation]***FIGHT AGAINST ORGANIZED CRIME**

Mr. Gilles Bernier (Beauce): Mr. Speaker, I am pleased to see that the RCMP has now started the fight against organized crime on some native reserves.

It was said that until now, federal and provincial police forces had been ordered not to take action so as to avoid igniting the situation. There was total confusion as well as a lack of political will. From now on, the law will be implemented everywhere in the country.

As the member representing Beauce, I have been fighting for a long time to put a stop to this tolerance, this hesitation on the part of the police, and this political laxness. Those attitudes created social chaos which allowed organized crime to get a better foothold in our community and create networks of people selling tobacco, arms, liquor and drugs. There is no longer any no go zone. From now on, the police will have all the necessary power to conduct surveillance activities and, if necessary, to arrest people.

I do hope that the only elected independent member in Canada is not dreaming.

ORAL QUESTION PERIOD*[Translation]***THE BUDGET**

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

The budget brought down yesterday by the government was met with deep disappointment in all quarters. Many critics today say how disappointed they are with this lax attitude. Moreover, the government is launching an unprecedented attack against the unemployed by taking over \$5 billion from their benefits, while the budget contains no specific new job creation measure.

Can the Prime Minister tell us why his government chose to attack the unemployed rather than federal government spending and administrative duplication and overlap?

Oral Questions

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I will simply quote the record of the Leader of the Opposition when he was in the Mulroney government.

The GST, a tax on the middle class, an end to universal pensions for our seniors—that is the Leader of the Opposition's doing and he dares tell us about unemployment insurance. The last thing he did as minister was to take \$3 billion from the unemployment insurance fund. He is in no position to criticize us as we are stuck with the problems he created.

Some hon. members: Hear, hear.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, in other words, the government is telling us that they are no worse than the Conservatives, a party which I left with pleasure.

Some hon. members: Hear, hear.

(1420)

Mr. Bouchard: The question is, how dare this government make the poor unemployed victims of the present neglect bear the burden of the public spending fiasco, not only by cutting unemployment insurance but also by not providing any concrete new job creation measure, thus going back on its sacred election promise to restore hope and dignity to the unemployed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the Leader of the Opposition left the Conservative Party, he left the Liberal Party and he left the Union Nationale. When will he leave the Bloc Quebecois?

Some hon. members: Oh, oh.

Mr. Martin (LaSalle—Émard): So we have done nothing for the unemployed? The infrastructure program, which should create between 50,000 and 60,000 jobs in Canada; the residential rehabilitation assistance program, which was abolished by his former government; the home ownership program, which was to end on March 1, has been extended again; a youth service corps to help our young people; new apprenticeship programs. And he still has the effrontery to tell us that we are doing nothing. We are creating jobs, we are getting the economy on track, and we will do it, Mr. Speaker.

Some hon. members: Hear, hear.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, let me say how surprised I am at the vehemence with which the minister attacks the Conservatives, since his budget is identical to the one they presented. It is a budget which no Conservative still in that party—and there are fewer and fewer of them—would renounce today.

I must say that I find something profoundly indecent in this budget, since the Minister of Finance is an accomplice of fiscal unfairness. On the one hand, he takes more than \$5 billion over three years from the poorest people, and on the other, he lets the wealthiest people in this country put billions into family trusts and earn income from them without paying tax.

I ask the minister, who voted with us in the Bloc Quebecois last year against the extension of this undue privilege, to tell us how he can preach fiscal fairness today when he supports such a double standard policy.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, at least we are entitled to some consistency. His finance critic suggested referring the question of family trusts to the Auditor General. Since we believe that members of this House should assume their responsibilities, we referred it to the finance committee for study. We will look into it. We took his advice. So instead of asking me this question, he should ask his friend.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, in the budget which he brought down yesterday—if we can still call what is left of it a budget—the Minister of Finance projected a record deficit of nearly \$40 billion. Considering how accurate Finance Department forecasts are, it is possible that the deficit could be much higher than \$40 billion. In fact, in the 1992 budget, revenues were overestimated by \$11 billion, and in the 1993 budget, by \$10 billion. A slight discrepancy, would you not agree. In point of fact, for the past two years at least, government revenues have been declining, while the underground economy has been thriving. Consequently, tax revenue forecasts have been completely thrown off.

How can we take the Minister of Finance seriously? How are we supposed to take a stand-up comic seriously when he announces an already record deficit of nearly \$40 billion, given that he arrived at this figure by overestimating revenues, like his predecessors, when in fact he knows full well that for several years now, tax revenues have not been growing at the same rate as the economy.

The Speaker: I hope that the answers will be as brief as the questions.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I know that the critic for the Bloc Quebecois did not have a chance to read the document because he was in too much of a hurry to ask his questions. However, if he were to look on page 53, he would find a very clear explanation of some of the special factors which combined to dampen budgetary revenues this year. When we exclude these factors from our calculation, it becomes very clear that we can forecast a real increase of 3 per. cent or a nominal increase of 4

Oral Questions

per cent. This is in line with the forecasts of the vast majority of the country's economists.

(1425)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, does the minister not agree that a record deficit of more than \$40 billion would undermine the confidence of investors and taxpayers and jeopardize a lasting recovery on the economic and employment fronts?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we are fully cognizant of the problems associated with the deficits we inherited. That is why our targets are very clear: \$39.7 billion, \$32.7 billion and \$25 billion. And we will reach these targets, Mr. Speaker.

[English]

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is also for the Minister of Finance.

The budget presented by the minister yesterday will add \$100 billion to the federal debt over the next three years. Many members on this side of the House are deeply concerned that the budget simply does not address the deficit and debt problem.

If this House, through its committees or the consideration of estimates, were to put forward further proposals for further reducing the deficit in 1994–95, would the minister be open to adopting such proposals?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, at a recent meeting of the finance committee in response to an invitation from the member's seatmate, I said very clearly that we would be delighted to sit down with them and look at whatever constructive suggestions members opposite have.

I also said they should be based on current financial numbers. They should not be based on the financial numbers presently used by members of the party opposite which through no fault of their own are some six months out of date. They should also be based on responsible economic forecasts, not inflated forecasts such as was the case with the economic platform of the party opposite in the election campaign.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I thank the minister for part of his answer. My supplementary question is for the same minister.

The minister's budget bears some resemblance to the first Clinton budget in the United States which also included a new spending package combined with a cost-cutting package. When the Clinton budget got to Congress it scrapped the new spending proposals and applied the savings to the deficit to the benefit of the American economy.

Would the minister be willing to scrap or at least defer for a year or two his new spending proposals of \$1.7 billion so as to get greater cost and deficit reduction in 1994–95?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, first of all a substantial portion of that spending is the infrastructure program which has been signed by all of the provinces. That program has been tremendously welcomed by all of the provinces and the municipalities. Along with our other measures it is going to lead to a substantial amount of job creation.

I am sure the member opposite understands the absolute importance of job creation at this stage of the fragile nature of our economy. That is what we are committed to do. That is what our budget is going to deliver. That is why those spending proposals, which are all a bit modest, are going to lead to substantial job creation.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a further supplementary question for the Minister of Finance.

The budget is completely silent on strengthening the ability of Parliament to control government overspending. Can the minister tell the House whether he favours strengthening Parliament's ability to control overspending through the passage of sunset clauses, spending limits, freer votes on estimates and other measures of that kind?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, if the member looks at the deficit projections we have made he will see they are substantially below the limits that would have been established by the current spending control limits. In fact we have gone far beyond them. It really demonstrates a government that has political will and conviction can do a great deal more than some kind of an artificial standard which in fact the previous government sought to get around.

(1430)

In terms of the role of Parliament the member had an opportunity to read what I said yesterday in the budget speech. We are opening up the process completely. The finance committee of the House is to play a very important role.

We said that we were going to lay before the finance committee our projections for the next budget, the proposals that we would consider within the next budget, our spending plans, and that they would be subject to more detailed investigation by a committee of the House than has ever been done in the history of the Parliament of Canada.

Oral Questions

We were prepared in the House to have a unique debate on the budget before we brought it down and sought from the members of the House their comments. In terms of estimates, the controlling of spending and the examination of the budget, we are not only prepared to co-operate with members of the House but we are most desirous of doing so.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, my question is directed to the Minister of Finance. Instead of dealing with the real problem, the high level of government spending, and eliminating costly duplication, the government says it intends to cut \$7.5 million from social programs, mainly by reducing unemployment insurance. Like its predecessor, this government is trying to get the deficit down at the expense of the unemployed and senior citizens.

Why is the minister putting the bite on the unemployed, although he criticized the previous government every time it reduced benefits under the unemployment insurance program? What has become of those high-sounding principles, Mr. Speaker?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, if we look at what we did about unemployment insurance, first, we raised the level for the neediest in our society from 57 per cent to 60 per cent, which applies, for instance, to mothers who are heads of single parent families and families who have their elderly parents living with them. I think it is clear that this measure is targeted to those who need it most. We are freeing up money for training because we really want people to be able to work and not go on unemployment insurance. Furthermore, because of these measures, we were able to reduce unemployment insurance premiums from \$3.07 to \$3.00, which will create a lot of employment in this country.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I have a supplementary. Oddly enough, the minister is reversing measures that they themselves introduced. Since the minister is so proud of getting at the wealthy in his budget, would he say that a senior citizen with an annual income of \$26,000 is wealthy, to justify a clawback of \$200 million from 800,000 senior citizens?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, when we looked at the problem we had with the deficit and we conducted much needed consultations across this country, senior citizens we met told us that everyone should share the burden. So if we look at what we did in this case, seniors must have an income of \$49,000 or \$50,000 to lose the age credit. This age measure affects a mere 5 per cent of senior Canadians. It does not affect 75 per cent of them, and the remaining 20 per cent are hardly affected at all. Only 5 per cent will be affected.

[*English*]

Mr. Stephen Harper (Calgary West): Mr. Speaker, my question is also for the Minister of Finance.

In the pre-budget discussions the minister promised the House that he would provide complete and realistic financial information in the budget papers.

The notable absence in the budget papers is full financial data for the third fiscal year 1996–97 where he was to attain his 3 per cent GDP target. We do not have economic projections from the department. We do not have a summary statement of transactions and many tables were incomplete. Will he provide the information from the Department of Finance and table it in the House immediately?

(1435)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we made it very clear that this was a two-stage budget and that we were providing financial projections for each of those two years.

On the other hand we did provide full financial information for the third year, tracing the effect of the expenditure cuts that were taken in this year. That tracing demonstrates that we will arrive at the \$25 billion figure or the 3 per cent of GDP.

All the information the member requires is in there. The only thing that is not in there is the projection of economic growth. The reason we did not do that is that we did not want to fall into the same mistake the previous government did, that is projecting so far out and making promises on the basis of illusory growth that we are not able to keep.

The fact is that we provided full information in terms of tracing the cuts we have made in this budget, cuts which are to bring the deficit down to 3 per cent of GDP in three years.

Mr. Stephen Harper (Calgary West): I have a supplementary question, Mr. Speaker. That is an interesting answer. I agree there are tracings of the third year in the budget, but there are no economic projections or detailed third year data for any of the tables.

Will the minister admit—and I know he will want to consider carefully this answer—that if he provides realistic economic projections, combined with the data in the budget, it will show that from this budget the deficit will in fact not go below \$30 billion in the third year and will remain close to 4 per cent of GDP?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, if the member opposite would take a look at the document underneath the charts, he would see there is a very clear statement after tracing the decisions taken in this particular budget through to the third year that a level of growth

Oral Questions

in the third year similar to that which is occurring in the second year will give us the 3 per cent of GDP.

The answer to his question is quite the opposite. Absolutely, with that level of growth we will attain the 3 per cent of GDP.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Minister of Finance.

Wealthy families can use family trusts to avoid paying tax on billions of dollars. It was a Liberal government, in 1972, that created this unacceptable system. Just last year, the Liberals voted against the continuation of these trusts proposed by the Conservative government. But, as we discovered yesterday, the wealthy family lobby has won.

How can the minister justify digging even deeper into the pockets of the unemployed and the poorest of the poor when he will not even touch the privileges granted to the wealthiest? Will the minister admit that he caved in to the pressures of wealthy families and party friends?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Not at all, Mr. Speaker. All we did was do what his party's finance critic had suggested when he said that, given the complexity of the issue, it should be referred to the finance committee. That is on the record, by the way, Mr. Speaker.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, either the minister misheard our suggestion or he does not want to admit to having heard it. His logic is somewhat twisted. He tells us that, when it comes to taxing the rich, we have to look into the matter for one year. On the other hand, taxing the poor can be done immediately. That he can do.

Mr. Speaker, I would like to remind the minister that, in 1987, when the economy was flourishing, over 90,000 Canadian businesses which had made in excess of \$27 billion in profits did not pay a cent in taxes, and the Liberals denounced that fact.

Why does the minister refuse to accept the principle of minimum corporate income tax that the Liberals talked about when they were in opposition?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, there is already a minimum tax on the income of major companies. We are levying it on banks, insurance companies, all major companies. It already exists. I wish I could say it did not exist, so that I could then levy the tax, but what can I say, it already exists.

(1440)

Second, in our budget, we have changed the private corporations taxation system for the exact reasons cited by the hon. member. I am sorry, but perhaps we could pursue this discussion tomorrow, after the hon. member has had the chance to read through the budget.

[*English*]

Mr. Ray Speaker (Lethbridge): Mr. Speaker, my question is also for the Minister of Finance. On page 58 of the budget plan the minister indicated that the Spending Control Act would not exist after 1995–96.

Would the minister consider extending that act just on the basis it could be a benchmark or a target for the government that would recognize the goodwill of the government in keeping the deficit or the expenditure pattern below the level expected here?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the Spending Control Act put in place by the previous government is a reasonably ineffective piece of legislation in that it permitted borrowing from one year to the other year, going back and going forward. It allowed governments to engage in a fair amount of accounting tomfoolery.

When we take a look at the deficit projections we have made and at the spending projections we have made which by the third year, to respond to the member, will have us spending lower than this year, from our point of view it is very clear our spending targets are substantially lower than anything that would be contained in the Spending Control Act. That is why we are not going to extend it.

As the Deputy Prime Minister has said, why do we need a benchmark; we are in the process of hitting home runs.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, would the minister consider bringing in a tougher Spending Control Act? Would the minister commit the government to rethink current expenditure projections and introduce this fall a minibudget outlining expenditure reduction targets for the next three fiscal years?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, as I have already indicated we are quite prepared—in fact we plan to meet with the finance committee with a full set of projections in terms of next year and all our proposals—to spend as much time and go into as much detail as members opposite want on each and every spending item and on each and every item contained within those sets of projections.

Oral Questions

In terms of the question as to whether we are going to bring in a minibudget this fall, the answer is no because we are going to hit the targets set in the budget laid before the House.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Finance. I will start by quoting him: "The unemployment insurance changes being proposed in this budget, estimated at \$5.5 billion, must be seen as interim measures until the full social security reform, estimated at around \$7.5 billion, is in place".

He went on to say: "That reform will lead to further significant reductions in unemployment insurance expenditures".

How can the minister reconcile the beginning of consultations on social program reform with the extensive—\$7.5 billion—and definite measures announced yesterday?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I just want to give my friend a rest.

I would be very happy to answer the hon. member because I think the logic is very clear. We have announced in the budget a clear stimulant for job creation. By reducing the premiums on the unemployment insurance rate we will be putting in place the creation and maintenance of over 40,000 jobs in the country. That is what we were elected to do. It is the beginning of a real changeover as to how we can go from a system which would rather have people on UI than have people in jobs.

(1445)

I ask the hon. member to now commit himself, the party and all Canadians to help redesign the programs of unemployment insurance, the Canada assistance plan, employment, training and education so that the start we made yesterday can be continued throughout the next year and we can have a brand new system of employment and social security so that we can get hundreds of thousands of Canadians back to work.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I have a supplementary question. How can this government, which raised unemployment insurance premiums in January, be the same one now telling us that it will create jobs by maintaining them at that level and reducing them next year by the same amount?

My question is this: Is it not indecent to make the unemployed pay for the government's inability to manage its own affairs?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I remind the hon. member of what she said on January 19 in the House of Commons when she was very upset about the fact that unemployment insurance premiums were too high. She said at that time: "Don't raise them". We have gone one better, we have brought them down.

I would say to the hon. member that not only did we bring them down for the next two years, but if we continue on this path of reform we will bring them down even further and create even more jobs for Canadians.

* * *

ADVANCE PAYMENTS FOR CROPS ACT

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, my question is for the hon. Minister of Agriculture.

In our short period in office Canadians have been happy to see that this government lives up to its promises and commitments. During the election we as a party promised repeatedly to reinstate the interest free portion of Canada's cash advance programs under the Advance Payments for Crops Act.

Can the minister inform the House when the government is going to eliminate the interest charges on the first \$50,000 of advance payments?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, I thank the hon. member for the question.

I fully acknowledge the good policy ideas on agriculture which were contained in our red book during last fall's election and which enjoy a great amount of support among farmers and farm organizations in this country, including the proposals having to do with cash advances referred to in the hon. member's question.

I am indeed anxious to proceed with improvements in our agricultural cash advance system subject to only one thing, and that is I want to solicit and receive the advice and recommendations of major farm organizations in this country. I would like them to confirm to me their concurrence that the \$50 million to \$75 million that we might spend on cash advances in any particular fiscal year is in their judgment the highest and best possible use for those funds, bearing in mind that the overall pot of money for agricultural programs is limited and we must set our priorities.

* * *

THE ESTIMATES

Mr. John Williams (St. Albert): Mr. Speaker, my question is for the Minister of Finance.

For the last 25 years Parliament's annual review of the estimates has led to a total reduction in government expen-

Oral Questions

ditures of one-millionth of one per cent. Clearly the system has not been allowed to work. It has been 20 years since the government last accepted a recommendation to reduce expenditures.

Therefore, I ask the Minister of Finance if he is prepared to accept recommendations from committees to reduce the estimates, thereby allowing Parliament to do its job.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, there is no government that is more desirous of having Parliament participate in the righting of the financial problems of this country.

The answer to the member is an unequivocal yes. If parliamentary committees come up with suggestions that enable us to improve the financial conditions or the financial administration of this country, you can rest assured that the government will respond very favourably to any such recommendations.

(1450)

Mr. John Williams (St. Albert): Mr. Speaker, according to the budget tabled yesterday, the government plans to spend \$163 billion this coming year.

Is the Minister of Finance now telling us that because he is committed to deficit reduction he is prepared to accept reductions as recommended by the committees to the main estimates as they will soon be tabled?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I think it is perhaps the same question and therefore I would give exactly the same answer. The answer is yes.

[Translation]

Mr. Michel Gauthier (Roberval): Mr. Speaker, in the budget tabled yesterday, the Minister of Finance decided to freeze transfers to the provinces to save \$500 million in 1995 and \$1.5 billion in 1996. A quick calculation shows that the Quebec government would thus lose about \$600 million over two years.

Are we to understand that the Minister of Finance has decided to follow his predecessors' strategies and shift part of his deficit directly onto the provinces?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the answer to the question is absolutely not. First of all, we should say that when we signed our equalization project with the provinces a month and a half ago, we were very generous with the provinces and certainly with Quebec.

Second, what we did this time around is that, instead of cutting, we decided to freeze for two years. We will declare a

moratorium, a period during which the Minister of Human Resources can work with the provinces to really save money on both sides. We hope that, with the social security reform led by the minister, this will not cost the provinces or the provincial governments anything. I had discussions with the provincial finance ministers, including the Quebec finance minister, and this approach was quite popular.

Mr. Michel Gauthier (Roberval): Mr. Speaker, by directly raising the number of provincially-supported welfare recipients through unemployment insurance cuts while reducing transfers to the provinces, by saving \$2 billion on the backs of the provinces, does the Minister of Finance not agree that he is crippling the provincial governments, which will soon be forced to make further cuts at the expense of the poorest Canadians?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as part of our new literacy program we are going to recommend that members opposite start reading the budget more carefully because they clearly have not read the full details.

In the budget is an \$800 million special fund to work with the provinces to develop a program to get the chronically unemployed back to work, \$800 million to help the people most in need to get them back to work and back in the workforce.

It is about time that members of the opposition began to recognize it is time for a real change so we can get Canadians back to work.

* * *

INDIAN AFFAIRS

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

On Monday in the House the Minister of Indian Affairs and Northern Development stated that the Sawridge band of northern Alberta is probably one of the richest bands in the country. Yet, and I quote, "that band is saying to its people that it will not share".

For the minister's information I spent three years in the early 1980s as an official with the Alberta government helping to prepare native and Métis communities in northern Alberta for local self-government. I observed firsthand both the business acumen and the generosity of the Sawridge band under its chief Senator Walter Twinn.

I ask the minister what evidence he can provide to back up this outrageous insult to the Sawridge band.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the question is what evidence. The evidence is before the Federal Court.

Right now the Sawridge band under Senator Twinn and his family has a case before the court which in essence says that the Bill C-31—women should not be able to come back and share.

(1455)

As a government in the early 1980s we brought legislation into the Constitution which would do away with that. In essence it says that a woman should not be discriminated against solely because she is a woman. That is the basis of it.

We supported the development of Bill C-31 which was brought in by the Conservative government, but we fathered that bill. Today we are back and we are saying the issue is this, do you support—

An hon. member: Fathered?

Mr. Irwin: We personed that bill. Today we are back again saying there is poverty, there is richness, there is discrimination and non-discrimination, but we stand on the side of those who are discriminated against and those who are poor. That is the story of what is happening over here.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I have a supplementary question.

Yesterday the minister completely side-stepped a question about his alleged remark to Alberta natives over the weekend that the Reform Party hates Indians and wants to be the defender of the white man.

I ask the minister, did he or did he not make those remarks attributed to him by the media, yes or no?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, when I was much younger I was very influenced by, as a matter of fact, a Tory. I hate to say this, but it is true. Former Prime Minister John Diefenbaker came to Sault Ste. Marie and said that he loved this House and because it was partisan it did not mean that we could not walk away friends. He loved the partisanship. That is the way I approach this House of Commons. I could never love it as much as he did. I could never be as good as he was.

What I am saying is that I do not believe I made such a statement. I have gone further. I have checked with others who attended the same meeting and they do not remember such a statement being made. It is unfortunate that such an impression is being created. It is unfortunate that the Reform Party is being dragged into the wrong side of this issue.

The Reform Party does not want to be on the side of this issue where they in fact look like or appear to be supporting the rich against the poor, women who should be back in the band on the side of Mr. and Mrs. Walter Twinn.

Oral Questions

NATIONAL DEFENCE

Hon. Charles Caccia (Davenport): Mr. Speaker, my question is for the Minister of National Defence.

Will the minister tell the House how he intends to proceed in ensuring that the Downsview base in Toronto is owned by the public in perpetuity, enjoyed as an open space, an urban forest with recreational and educational facilities? This would provide enjoyment for Canadians interested in nature studies and urban dwellers seeking relaxation in a green environment.

Will these lands be designated to become our first national urban forest?

Hon. David Michael Collette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, this is a very detailed question. I will have to respond to the hon. member in detail at a later date.

However, I think this is a unique initiative on the part of the government. The Prime Minister should be thanked for giving in perpetuity a large urban recreational green space for the benefit of Torontonians for years to come.

I believe what the government is saying here is that there is an alternative to paving over lands and buildings, especially in high density areas. This is a plan to have the ownership of those lands retained by the Department of National Defence and developed for the benefit of all Torontonians recreationally in conjunction with my colleague, the Minister of Canadian Heritage responsible for Parks Canada and my colleague the President of the Treasury Board, so that we truly create a unique area for the benefit of all people in the future in Toronto.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, there is only one French-language military college left in Canada, that is, Saint-Jean. Unfortunately, we were told yesterday that the federal government has decided to axe this true symbol for francophones. My question is for the Minister of Finance or the Minister of National Defence.

How can he reconcile this decision with the official languages policy so highly spoken of by the Prime Minister? Will he have us believe that the French heritage of the Collège militaire royal de Saint-Jean will not be lost if its activities are transferred to the Royal Military College in Kingston?

(1500)

Hon. David Michael Collette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, what we have here, I think, is an example of the Bloc Québécois' double

Government Orders

standard policy. Indeed, last week, here, in this House, the hon. member stated and I quote: "In spite of it all, the defence infrastructure remains far too big for the size of the forces".
[English]

Today he is standing in the House criticizing one of the actions taken by the government which unfortunately was to close our military college in Saint-Jean. There is also Royal Roads in Victoria. There are two and they conveniently forget that.

If we are going to reduce the number of armed forces personnel then obviously we need a reduction in training for our officers. That is why it is being consolidated at one college. It made financial sense to do it in Kingston.

I take great umbrage at the suggestion that there cannot be a bilingual college in Ontario. Hon. members in the Bloc Quebecois should know the Official Languages Act was created to make, and has succeeded, Canadians of the two languages comfortable in all parts of Canada. Kingston will have a bilingual military college.

The Speaker: The Chair fully realizes this being the first day after the budget, and I might say my first budget in the Chair, great latitude was given both in the formulation of the questions and in the responses.

It being three o'clock I have a point of order which is being raised by the hon. member for Markham—Whitchurch—Stouffville.

* * *

POINTS OF ORDER

WITHDRAWAL OF REQUEST FOR DELAY

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville): Mr. Speaker, on a point of order I inform you that I wish to withdraw my request for the delay because I have been unable to consult with counsel. It may take some time. I believe that delaying the matter would not serve the purpose.

At a future date once I have consulted with counsel I will request of you again for the point of privilege to be raised in this House. For the time being I request that this matter be withdrawn until further notice.

The Speaker: The House will be advised that I will not be rendering my decision on the particular point of privilege raised earlier by the member for Markham—Whitchurch—Stouffville.

GOVERNMENT ORDERS

[Translation]

DEFENCE POLICY

The House resumed from February 17 consideration of the motion of Mr. Collenette.

The Speaker: It being three o'clock, pursuant to order made Tuesday, February 22, 1994 the House will now proceed to the taking of the deferred division on the motion, No. 8 under Government Business, that a Special Joint Committee be appointed to consider Canada's defence policy.

Call in the members.

(Motion agreed to on the following division:)

(Division No. 6)

YEAS

Members

Abbott	Adams
Alcock	Anderson
Arseneault	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bakopanos	Barnes
Beaumier	Bellemare
Benoit	Berger
Bernier (Beauce)	Bertrand
Bethel	Bevilacqua
Bhaduria	Blaikie
Blondin—Andrew	Bodnar
Bonin	Boudria
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)	Brown (Oakville—Milton)
Brushett	Bryden
Calder	Campbell
Cannis	Catterall
Cauchon	Chamberlain
Chan	Chatters
Chrétien (Saint-Maurice)	Collenette
Collins	Comuzzi
Copps	Cowling
Crawford	Culbert
Cummins	de Jong
DeVillers	Dhaliwal
Dingwall	Discepola
Dromisky	Duhamel
Duncan	Dupuy
Easter	Eggleton
English	Epp
Fewchuk	Finestone
Finlay	Flis
Fontana	Forseth
Frazier	Fry
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway	Gauthier (Ottawa—Vanier)
Gerrard	Gilmour
Godfrey	Goodale
Gouk	Graham
Gray (Windsor West)	Grey (Beaver River)
Grose	Grubel
Guarnieri	Hanger
Hanrahan	Harper (Churchill)
Harper (Simcoe Centre)	Harris
Hart	Harvard
Hayes	Hermanson
Hickey	Hill (Macleod)
Hill (Prince George—Peace River)	Hoeppner
Hopkins	Hubbard
Ianno	Irwin
Jackson	Jennings
Johnston	Jordan
Kerpan	Keyes
Kirkby	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape Breton Highlands—Canso)	Lee
Loney	MacAulay
MacDonald	MacLaren (Etobicoke North/Nord)
MacLellan (Cape Breton—The Sydneys)	Maheu
Malhi	Maloney
Manley	Manning
Marchi	Marleau
Martin (Esquimalt—Juan de Fuca)	Massé
Mayfield	McClelland (Edmonton Southwest)
McCormick	McGuire
McKinnon	McLaughlin
McLellan (Edmonton Northwest)	McWhinney
Meredith	Mifflin
Milliken	Mills (Broadview—Greenwood)

Minna	Mitchell
Morrison	Murphy
Murray	Nault
Nunziata	O'Brien
O'Reilly	Ouellet
Parrish	Patry
Payne	Peric
Peters	Peterson
Pickard (Essex—Kent)	Pillitteri
Proud	Ramsay
Reed	Regan
Rideout	Ringma
Robichaud	Rock
Rompkey	Schmidt
Scott (Fredericton—York Sudbury)	Serré
Shepherd	Sheridan
Silye	Skoke
Solberg	Solomon
Speaker	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Stinson
Strahl	Szabo
Telegdi	Terrana
Thalheimer	Thompson
Tobin	Torsney
Ur	Valeri
Vanclief	Verran
Volpe	Walker
Wayne	Wells
White (Fraser Valley West)	White (North Vancouver)
Williams	Wood
Young	Zed—202

NAYS

Members

Asselin	Bachand
Bellehumeur	Bergeron
Bernier (Mégantic—Compton—Stanstead)	Bouchard
Brien	Bélisle
Canuel	Caron
Chrétien (Frontenac)	Crête
Dalphonde—Guiral	Daviault
Debien	Deshaies
Dubé	Duceppe
Dumas	Gagnon (Québec)
Gauthier (Roberval)	Godin
Guay	Guimond
Jacob	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Leblanc (Longueuil)	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Marchand
Mercier	Ménard
Nunez	Paré
Picard (Drummond)	Plamondon
Pomerleau	Péloquin
Sauvageau	St-Laurent
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne—49	

PAIRED MEMBERS

nil/aucun

(1520)

[English]

The Speaker: I declare the motion carried.

Mr. Richardson: Mr. Speaker, I rise on a point of order. I came in after the whip sat down and therefore I was not entitled to vote, but I would like to give notice that I would have voted with my party in any event.

Routine Proceedings

Mr. Simmons: Mr. Speaker, I rise on a point of order. Had the bells not stopped prematurely I would have had the triple luxury of voting for my government, voting with the Reform, and having a free vote.

Mr. Pagtakh: Mr. Speaker, for the same reason I would have voted as well with the government.

Ms. Cohen: Mr. Speaker, had the bells not been cut short I too would have voted with my party.

ROUTINE PROCEEDINGS

(1525)

[English]

BORROWING AUTHORITY ACT, 1994-95

Hon. Marcel Massé (for the Minister of Finance) moved for leave to introduce Bill C-14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994.

(Motions deemed adopted, bill read the first time and printed.)

* * *

INCOME TAX ACT

Hon. Allan Rock (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-15, an act to revise certain income tax law amendments in terms of the revised Income Tax Act and Income Tax Application Rules.

(Motions deemed adopted, bill read the first time and printed.)

* * *

[Translation]

PETITIONS

IMMIGRATION

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I have the honour to submit a petition signed by more than 4,000 residents of my riding of Québec-Est and several other areas of the province of Quebec. Their names should be added to the 5,000 which are on petitions already submitted, and I will add 13,000 more tomorrow.

The petitioners are asking Parliament to urge the Minister of Immigration to reconsider the decision of his department to expel the Maraloi family from Vanier, and to allow this family to stay in Canada where, after three years, it is very well integrated. I wholeheartedly support this petition and I urge the government to follow up on it.

SOCIAL HOUSING

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, on behalf of my constituents, I would like to submit a petition in ac-

The Budget

cordance with Standing Order 36, urging the government to reinstate in full the funding for social housing. [English]

This petition bears more than 400 signatures and is submitted to remind the government that its duty is to provide the neediest with adequate housing, geared to their needs and their income.

CANADA POST CORPORATION

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, I am pleased to submit a petition from residents of the municipality of Vianney.

The undersigned, residents of the municipality of Vianney, in the county of Frontenac, wish to draw the attention of the House of Commons on the following: We humbly pray and call upon Parliament to urge the Canada Post Corporation to recognize the municipality of Vianney, made up of the village of Vianney and ranges 1 to 4, so that our addresses could be Vianney and not Saint-Ferdinand or Bernierville, while keeping the same postal code, G0N 1N0.

[English]

CRIMINAL CODE

Mr. Jay Hill (Prince George—Peace River): Madam Speaker, pursuant to Standing Order 36, I have the privilege to present a petition on behalf of over 1,000 constituents from the Prince George—Peace River riding.

They call upon the House of Commons to repeal Bill C-17, the most recent amendment to part III of the Criminal Code.

(1530)

These citizens believe that gun control legislation was sufficient prior to the Bill C-17 amendments and that the bill has placed undue restrictions on law abiding gun owners instead of focusing on the punishment of those who criminally misuse firearms. I am very pleased to support the petition.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall all questions be allowed to stand?

Some hon. members: Agreed.

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I would suggest that the sole notice of motion for the production of papers be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall it stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 22 consideration of the motion that this House approve in general the budgetary policy of the government.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Madam Speaker, we seldom have an opportunity to do so but before resuming our comments on the budget of the Minister of Finance, I would like to start by congratulating the interpreters who do an excellent job, both in French and in English. This is not always easy, especially when members speak quickly and use technical terms.

Yesterday's budget speech by the Minister of Finance is a direct contradiction of any expectations we might have of a new government in this House. This government promised us jobs that would restore the dignity—as the present Prime Minister said and kept repeating, especially during the election campaign—of a million and a half unemployed Canadians and nearly half a million unemployed workers in Quebec. That did not happen in this budget.

This budget merely refers to the infrastructure program which already been announced on many occasions and will create only 45,000 temporary jobs, or barely 3 per cent of the needs of the unemployed. Three per cent, that is what the government and its Minister of Finance are giving us after repeating for I do not know how many months, while waving their little red book, that what was needed was jobs, jobs, jobs. And all we get is 45,000 jobs, 3 per cent of what the Canadian labour market needs.

The government was also committed to putting its financial house in order. However, the deficit for 1994-95 will remain very high, at nearly \$40 billion the highest deficit estimate ever in federal history.

The Budget

And since yesterday, this government has felt very proud. The minister says he is proud of this budget, and he brings us the highest deficit in Canadian history. How can anyone be proud of a budget as disastrous as this one?

The government failed to make much-needed cuts in government spending. It failed miserably. It did not have the guts to attack departmental operating expenditures and cut the fat in the federal bureaucracy. The fat is still there. Every year the Auditor General keeps repeating the fat should be trimmed from program administration and public spending in general. But where is the political will to do what the Auditor General asked the government to do not so long ago? Nowhere.

(1535)

This government, and the Minister of Finance in particular, does not have the courage either to end overlap and duplication which at the very least cost Quebec alone between \$2 and \$3 billion. This is unacceptable for a first budget from a federal government which promised to get its fiscal house in order. If my memory serves me correctly, yesterday's budget reduces federal government operating expenditures by only \$400 million, out of a total operating budget of nearly \$20 billion. How can it be proud of this achievement?

Instead of cutting expenses, the Minister of Finance and his government have foolishly chosen to increase the fiscal burden of taxpayers, specifically the burden of the middle class, thereby falling into the same ruts as the previous government.

Overall, the government will collect no less than \$575 million in 1994–1995 from a variety of new taxes, and more than \$1.3 billion in 1995–1996. Not so long ago, every member of this government, and in particular the current Prime Minister and the Minister of Finance, was saying that when they came to power, there would be no tax increases and no income tax increases. They are doing exactly the opposite of what they have been saying for months. They are also doing exactly the opposite, Madam Speaker, of what they said they would do in their red book, this rag that they have been waving in our faces every day.

Some hon. members: Hear, hear.

Mr. Loubier: In so doing, Madam Speaker, they are also directly contradicting themselves and their claims to want to increase economic growth opportunities, because by increasing the fiscal burden of taxpayers, the government is reducing their purchasing power and jeopardizing the already anemic economic recovery.

Finally, the Minister of Finance, the stand-up comic of Canadian economic policy, is soaking middle-income earners for more than half a billion in tax revenues over three years by taxing—and this is just one example—life insurance premiums paid by employers, by taxing middle-income earners.

Moreover, we now know the true meaning of the words “modernization” and “rationalization” when spoken by the Liberal government and the apparatchik.

The Minister of Finance, the real boss when it comes to running public affairs in Canada, is making, on the backs of the very people who have to rely on assistance from the entire community, a shameful \$7.5 billion cut in social programs.

An hon. member: Unacceptable.

Mr. Loubier: And inadmissible. It is inadmissible that a government which, not so long ago, was complaining to the previous government that it was outrageous to attack the universality of social programs and to start cutting back such programs.

Members opposite have the gall to talk about—and I have been hearing the same thing over and over for a very long time—social justice and a fair contribution in looking for ways to better control public finances. The government claims to be concerned with poverty and unemployment and then turns around and attacks the victims of these two social evils to solve its own problems.

I cannot figure out what kind of social conscience these people have, but as soon as they have the reins of government in hand, they forget who they owe this to, and that is inadmissible.

These are not the only tax bites suffered by the taxpayers. Reneging on its election promises, the government has cut transfer payments to the provinces, payments which are used to support education and social assistance programs. It is taking away, stealing from the pockets of the provinces nearly \$2 billion for fiscal years 1995–96 and 1996–97. That is what has come to be known as shifting one's deficit onto the shoulders of the provinces while sparing oneself the unpleasant task of confronting the voters with additional tax increases.

Some hon. members: There. That is it.

An hon. member: The cat is out of the bag.

An hon. member: Put that in your pipe and smoke it.

Mr. Loubier: Who is going to pay for all this? Who will pay? Again, as always, the taxpayers. The same people pay for it all. We do not have different groups of taxpayers for federal income tax, provincial income tax or municipal property tax. The same people pay at all three levels. Whether we increase taxes directly at the federal level or pass the buck to the provinces, in the end, the taxpayers are paying and the middle-income taxpayers in particular have been overburdened with taxes since 1984. Yet, they have just been struck another blow and are seeing their tax burden become even heavier.

The Budget

(1540)

From this perspective, the Official Opposition can only condemn the fiscal stance of the Minister of Finance, which does not solve the huge problem of the federal deficit, quite the contrary!

[English]

There is no action in the budget for job creation and no hope for the 1.5 million unemployed in Canada. The infrastructure program is supposed to create 45,000 jobs, only 3 per cent of the needs of the Canadian labour market.

The finance minister expects the most spectacular deficit in Canada's history, the highest ever calculated. We know by tradition, especially the treaty of tradition, that the deficit will go over \$40 billion. It will probably go over the \$45 billion mark this year.

The Minister of Finance does not have to be proud of it.

There are no reductions in federal spending, but taxes will increase for middle income earners. There is nothing in the fiscal loopholes under family trusts but promises to study them in the finance committee. There is nothing concerning the recommendation of the Auditor General on the possibility of saving more than \$5 billion a year by removing inefficiencies in public services. There is no provision for social housing in the budget. Instead, the minister decided to cut social welfare by \$7.5 billion for the next three years including a cut of \$2 billion in provincial transfer payments.

[Translation]

Madam Speaker, there is really no need to remind this House that the inability of the government to control the deficit is merely the continuation of the fiscal laxness of Liberal governments in the seventies and the early eighties, and I did say Liberal, not Conservative. As you know, the current Prime Minister was even the Minister of Finance for a while during those years. This laxness on the part of all those Liberal governments is directly responsible for the huge increase in the public debt, which is now over \$507 billion.

From 1970 to 1985, during 15 years of almost uninterrupted Liberal regime, the ratio between the budget and the GDP went from a surplus of 0.3 per cent to a deficit of 8.5 per cent, a high which remains unequalled. This disastrous state of our public finances is the legacy of successive Liberal governments.

If the past is any indication of what the future holds, and I believe it is, we are in for quite a ride with the budget tabled yesterday by the Minister of Finance, especially because it maintains social injustice, fiscal laxness and tax unfairness. Rich people and major corporations will not pay any more taxes, while the poor and the middle class will continue to pay for the Liberal government's attitude. This is unacceptable!

The Minister of Finance has no reason to be proud to announce a deficit of some \$40 billion for the fiscal year 1994-95. Especially since he knowingly—and I do mean knowingly—and wilfully increased the amount of the deficit for the last fiscal year, so as to look more efficient with the cuts announced in his budget of yesterday.

According to several economists, some of whom he consulted during the pre-budget exercise which took place recently, the actual national deficit for the current year is not \$45 billion but somewhere around \$42 billion. In fact, the Conference Board, which can certainly not be accused of promoting sovereignty, wrote this in its note on the Canadian economy for the winter of 1994: A large part of the \$3 billion cost overruns for 1993-94 results from changing the implementation date of certain measures announced in policies and, as such, is due to one-time discretionary accounting decisions. What that means is that, based on the deficit forecasts from the Department of Finance and on the budget tabled yesterday, the Minister of Finance moved only \$2 billion towards his expense-cutting objective. The minister speaks of cutting the deficit by \$7 or \$8 billion, but it is a fraud, a sham. I will not say that they are lying, because that is unparliamentary, but I will say that they are not telling the truth.

(1545)

Since the deficit for 1994-95 will be reduced by only \$2 billion, where is the effort to restore fiscal sanity to government? They must be joking, they are not credible! Do you think, do we all think, that the Minister of Finance and this government are waiting for a third warning from the International Monetary Fund before doing something? Are they also waiting for a further deterioration of Canada's fiscal situation as a result of a lower credit rating from the major rating agencies? Madam Speaker, this government and especially the Minister of Finance are grossly irresponsible.

I believe that compared to other industrialized countries, the economic situation in Canada called for aggressive budgetary measures. If you allow me, Madam Speaker, I will give a few examples of Canada's bad performance to show that we needed more than budgetary cosmetics from the Minister of Finance.

The facts that I will now present are known, and I hope they are known to the Minister of Finance. I hope he knows his ABC's. First of all, the relative size of the Canadian deficit is greater than in the other G-7 countries. In 1993, according to the Organization for Economic Co-operation and Development and according to the definition given in the national accounts, Canada's deficit-GDP ratio was 63 per cent higher than the G-7 average. It is spectacular in the bad sense of the word.

The second fact that the Minister of Finance should know, that his government should know and that all ministers should know but instead pretend not to know in order to hide the fact that our present system is a national catastrophe, is that our debt is growing much more rapidly than in that of the G-7 countries as a whole. From 1985 to 1993, the debt-GDP ratio of OECD countries grew by only 21 per cent, whereas Canada's debt-GDP ratio grew by 82 per cent. That is 82 per cent versus 21 per cent.

The Budget

In less technical terms, this means that Canada's debt is growing much more rapidly than the revenue that could be used to reduce it some day. When a country gets to the point where it cannot generate enough revenue to be able some day to pay the interest and part of the principal on its debt, it means that things are bad, really bad.

As if that was not enough, between 1983 and 1992, the proportion of the federal debt held by non-residents more than doubled. This is unacceptable. It makes us lose control over the Canadian economy, so that future generations, our youth, are crippled more than other taxpayers. They are the ones who will have to pay off the debt, including our enormous foreign debt.

I can tell you that the present government, as did the previous ones, is leaving quite a legacy to our youth, seeing that the unemployment rate is at 17.5 per cent in the under 25 age group. Such are the figures for the last quarter of 1993. It is quite a legacy, which does not allow them much hope.

Again, according to the OECD data, due to structural factors the Canadian public sector's spending is increasing faster than that of most countries of the OECD, and faster than in all G-7 countries. Simply put, it means the system is no longer working.

(1550)

This system is rotten to the core, as we say in Quebec. The system does not work and things only get worse because of the fact that tax revenues do not flow in the federal coffers as they should, given the economic growth. Why? Because of overtaxation, and to put it bluntly, because Quebecers and Canadians are fed up. A new underground economy has emerged and is becoming larger and larger.

I believe the Minister of Finance, with the budget he tabled yesterday, is contributing to the growth of the underground economy both in Quebec and in Canada. That is unforgivable. He is contributing to the collapse of our country and of our system which he pretends to be protecting.

According to the technical data from OECD, government expenditures are now out of control and changes are needed, not only some patching here and there, but major changes the Minister of Finance does not have the guts to make. Tabling a budget like the one the Minister of Finance put forward yesterday is an act of cowardice.

Even if the members opposite laughed at us before their first budget was tabled, we did not take any pleasure in constantly urging the government to set up without any delay a special parliamentary committee not only to consider, but to analyse carefully and in detail all of the expenditure items of the Canadian government, not only the budgetary expenditures but also tax expenditures. We wanted to make major changes that would help us to control somewhat the degradation of public

finances in Canada, since we cannot totally control the situation, with the system on the brink of collapse.

Of course, we will not go over the history of the past three months, but already, even without the committee, even without the government's response to the establishment of a special parliamentary committee, the Minister of Finance yesterday, if he had the courage of his convictions which he showed when he was in the Official Opposition, could have applied the Auditor General's recommendations of the past three years and thus taken a considerable amount, not just \$40 million, from the government's spending on operations. According to many tax experts, he would get at least \$5 billion a year in wasted public spending and inefficiency and bureaucracy of all kinds, but the Minister of Finance and his government did not have the courage to take that medicine.

As for revenue, when we look at the forecasts—and these forecasts are absolutely ridiculous; they have no credibility in economic and financial circles—we must admit that the Minister of Finance is making exactly the same mistakes as his predecessor in this House. He still thinks he is in the period from the mid-1970s to the mid-1980s, when tax revenue rose in step with economic growth, as measured by the gross domestic product, that is growth in the nation's wealth.

The Minister of Finance wrongly predicts that any 1 per cent increase in national wealth as measured by the gross domestic product will result in an increase of over 1 per cent in tax revenue. Since the mid-1980s, that is no longer the case, as a Conference Board study done in January confirms. When the nation's wealth as measured by the gross domestic product grows 1 per cent, tax revenue grows by only 0.4 per cent. Why? For a very simple reason, as I just said: the emergence and growth of a large underground economy in Quebec and Canada, because taxpayers are fed up with taxes and have had enough of being overtaxed, while seeing that the present government, like the previous one, does not have the courage to act to eliminate waste and inefficiency.

(1555)

I would remind you, Madam Speaker, that revenue forecasts are unrealistic, even in comparison with the estimates done in the last three years. For example, the February 1991 budget overestimated revenues for the 1991-92 fiscal year by \$6.5 billion. The following year, the budget again overestimated revenues for the 1992-93 fiscal year not by \$6.5 billion but by \$10.6 billion. Finally, according to the Department of Finance's estimates, the April 1993 budget overestimated revenues by nearly \$10 billion. So how much credibility can one expect with such revenue estimates in the finance minister's budget when, on one hand, the assumptions underlying economic growth—

The Budget

related tax revenues are false and, on the other hand, the team responsible for the previous government's economic and financial forecasts is still giving the finance minister the same kind of estimates?

According to the analysts I heard yesterday, the finance minister's estimates are totally unrealistic and he will not meet his target to reduce the deficit to 3 per cent of GDP in the next few years. It is technically impossible.

Not only does the finance minister lack finesse and credibility in this respect but, like his predecessors, he also shows a lack of vision because he goes even beyond using data that is not credible. He said in his speech yesterday that government revenues would not only follow economic trends but grow faster than the economy. Imagine, he goes even further than the previous government by using totally unrealistic assumptions. He says that tax revenues will increase faster than the collective wealth.

I do not know how this bill of goods was sold to the finance minister. I do not know whether he believed in it from the start but I can assure you that it is impossible. It is impossible and if it ever happened, the government's friends or the Chamber of Commerce representatives would be deeply concerned about this kind of forecast.

I do not know if the finance minister remembers how indignant he acted and how he condemned the Conservative government's surrealistic forecasts when he was on this side of the House. Like his predecessor, is he wearing rose-coloured glasses which encourage finance ministers to overestimate government revenues or is he trying to live up to its reputation as a stand-up comic, as the prestigious Toronto daily *The Globe and Mail* recently called him.

With regard to revenues, the government and the Minister of Finance are broadening the tax base as they promised to do, but they do it again on the back of the middle-class which is already overtaxed.

Madam Speaker, let me give you a few examples to flesh out my argumentation. In the next three years, the Minister of Finance will unduly burden middle-income workers with taxes, first by taxing the employer contribution to various group insurance plans. In the next three years, the Minister of Finance will hit middle-income workers for at least another \$520 million, that is half a billion dollars.

Furthermore, last week, while looking at ways to eliminate abuses and loopholes for the rich, maybe the Minister of Finance had a stroke of genius, who knows. However, in seeking to end abuses and close loopholes, he has thrown the baby out with the bath water by reducing the tax credit for meal and entertainment

expenses. While it may be true that some of the people who benefit from this deduction fall into the high-income category, it is also true that nearly 80 per cent of those claiming these kinds of deductions fall into the middle- or lower-income categories. This provision will primarily affect self-employed workers. They are not the ones with hefty incomes who shelter their money safely away in family trusts. They are the people who work tirelessly to create their own jobs because they must contend with a government that is incapable of supporting their job creation efforts.

(1600)

Obviously, the minister, even though he continues to wave his red book and to chant "jobs, jobs, jobs", did not give a moment's thought to the impact, largely negative, that this measure would have. He did not give any thought either to the effects of this measure on jobs in the restaurant industry. He did not think about this. He did not think about how this provision would discourage self-employed individuals who, day after day, work doggedly and struggle against the tax burden and the federal bureaucracy to earn a living.

My feeling—and we have an illustrious representative of the former administration—is that the Liberal government, and its Minister of Finance, is simply following without question the advice of federal apparatchiks. We see before us a pale reflection of these mandarins. To spend \$170,000 to deliver a speech in New-York City, great! He travelled in a Challenger at public expense, at the expense of the very same people on whom the Minister of Finance is now imposing a tax hike, an irresponsible tax increase, as irresponsible as a \$170,000 expenditure to travel in a Challenger to go and deliver a speech.

By eliminating the age credit for seniors, the Minister of Finance is widening the tax base at the expense of 800,000 older people. That is social justice! That is how we reward seniors who worked hard all their lives to start a family and build this country that this government claims to stand for.

They will actually be squeezing out of seniors another half billion or so over the next three years. How can the minister think seriously that a senior with an annual income of \$25,000 is affluent and use that as an excuse to cut the age credit for seniors? How can he justify such an action when, at the same time, very profitable large corporations are allowed to pay not a cent in taxes? That is inadmissible.

I gather from this that, like his Conservative predecessors—because this is basically a Conservative budget tabled by Liberals—the Minister of Finance is relentlessly targeting the middle-class. Must the minister and his government be reminded that, from 1971 to 1991, the actual tax rate for families with an average annual income of about \$46,000 increased by

The Budget

32.3 per cent on average, as compared to only 26.7 per cent for families with an average annual income over \$110,000?

This blatant injustice, when it was uncovered not too long ago, prompted the editorial page editor of *Le Devoir*, Mr. Jean-Robert Sansfaçon, to point out to his readers the unfair situation the middle-class was being put in. This is what he said: "Since 1980, middle-class Canadians have had to hand all their additional income over to their governments". They had to give all their extra income since 1980, everything they have earned since 1980, to the government. It goes on to say: "The tax burden climbed faster than the combined inflation and growth rates. Last January, the Liberals, newly arrived in the federal capital, raised unemployment insurance premiums by 7 per cent, a direct tax on job creation".

(1605)

The finance minister behaved in an odious fashion, worse in some respects than the Conservatives, whom he criticized for taxing middle-income Canadians. It is a rather silly situation when part of the budget denounces the payroll tax to finance unemployment insurance, which was increased from \$3 to \$3.07 in January, and accuses it of slowing down job creation. But it is the Liberals who, last January, increased employers' and employees' premiums, thus taking some \$800 million from workers' and entrepreneurs' pockets and compromising their promise of creating long-term jobs in Quebec and Canada.

I do not understand, Madam Speaker. I get the impression that the Liberals are laughing at Quebec and Canadian taxpayers, as no other government has dared to do in the political history of Canada.

They recognize that this increase has slowed down job creation, but they still agree to keep it at \$3.07 throughout 1994 and say they will create jobs this way. They agree it is an obstacle but they still want to keep it. How ridiculous, Madam Speaker! Jobs, jobs, jobs, cut, cut, cut. How utterly ridiculous!

Does the Minister of Finance know that taxpayers from all income groups pay proportionally seven times more taxes than businesses in Canada? This is another aspect of the budget which I would like to discuss.

The federal tax base is split like this: roughly 73 per cent of the money is paid by individual taxpayers, compared to 27 per cent by Quebec and Canadian businesses. Maybe it is time to create a better balance, because contributions made to the federal tax base by businesses are getting smaller year after year.

I would like to mention some figures, again from the OECD, to those who, like the minister, his colleagues, and the friends of and contributors to the Liberal Party of Canada—and I will get back to this later, Madam Speaker—believe that businesses, and

particularly very big money-making corporations, are doing their share.

The Canadian corporate tax burden represents approximately 6.6 per cent of our gross domestic production, whereas for all the G-7 members, that is for the seven most industrialized countries, this proportion is 9.9 per cent. I think there is still some margin for manoeuvre without jeopardizing the competitiveness of major money-making corporations, and I think we could tax those big companies which have made \$27 billion in profits in 1987-88 and still did not pay any taxes. It seems to me that we should look at this possibility.

Some say "it is not industrialized countries we have to look at but our main trading partner". Indeed, Madam Speaker, if you look at the corporate tax burden in the United States, you will see that it represents 7.2 per cent of their GDP, compared to 6.6 per cent here in Canada.

(1610)

So considering this difference between Canada and the United States, there is room for an entirely legitimate tax grab from large corporations that take advantage of tax loopholes.

I think this is clear proof that we need a minimum corporate tax. There is no minimum tax for large companies that are very successful and manage to transfer their profits elsewhere and patriate losses from other countries to deduct them in this country. This proves that a minimum tax would be most welcome. I think it is high time to get rid of the inequities and unfairness in our tax system.

In the same vein, we have repeatedly asked the federal Minister of Finance to put a stop to the outrageous family trust scheme which was actually introduced by a Liberal government.

Mr. Plamondon: Again.

An hon. member: Friends of the party.

Mr. Plamondon: Them again.

Mr. Loubier: Exactly! The system allows wealthy families to defer indefinitely, in other words, until the death of the last heir—this could go on forever!—all taxes, not only on the capital deposited in these trusts, but also on the interest generated by the trusts which themselves are not subject to tax.

A number of analysts estimate, unlike what the Minister of Finance claimed this afternoon, that the government could obtain at least \$350 million annually in new federal revenue from this source—

Mr. Milliken: Who said that?

Mr. Loubier:—and even as much as one billion dollars in new revenue, according to the estimates.

I hear some comments from our friends opposite. They did not have the guts, and if they think these trusts are so funny, why did

The Budget

they not get rid of them right away, to see how that would affect the government's tax revenue?

Why did they not do away with the family trust system right away, instead of raising direct and indirect taxes on middle incomes? They had no hesitation in doing that. They did not ask the Finance Committee for a study. They did not ask for an impact assessment of these tax increases.

Mr. Plamondon: Hold a forum? Certainly not.

Mr. Loubier: They increased taxes, so why did they not do anything about family trusts?

The minister was saying this morning that, since the Finance critic of the Official Opposition had requested that family trusts be reviewed, he had referred the problem to the Committee on Finance. The minister knows full well that what I asked him to do is to abolish those trusts. It is true that I asked him to instruct the Auditor General, with the consent of the House, to review all the tax loopholes used by rich individuals and large companies, as this could be part of the attributions of the Auditor General, but I specifically asked that family trusts be abolished immediately.

The minister knows full well that the government, for political and politicking reasons, has already given the Committee mandate to find alternatives to the GST and that, consequently, the review of family trusts could not possibly be undertaken before next year.

If that is not helping the friends of the party, I wonder what it is. If this is not telling the whole truth, what is it?

An hon. member: Protecting your buddies.

Mr. Loubier: Instead of going after middle- and low-income earners, why did the government not go after those tax shelters of the wealthy? Why did it not tackle the real problems, the problems that Quebecers and Canadians are faced with, which are unemployment, the curse of our time, and underemployment? The government is always talking about jobs, jobs, jobs, but it did not even give an absolute priority on this desirable objective. We would have supported them on that, but there is nothing in this budget, but another repetition of the creation of 45,000 temporary jobs as a result of the urban infrastructures program.

(1615)

Regarding job creation, we can only condemn the absence of genuine job creation strategies in the budget. Need we remind the Minister of Finance that the anemic economic recovery has had virtually no effect in terms of creating new jobs. For example, Quebec has recovered only 25 per cent of the jobs it lost during the recession, while the recovery rate in the rest of Canada is slightly higher at 40 per cent. As I said, the recovery is anemic everywhere. In Quebec and in Canada, unemployed

workers and families struggling to make ends meet will suffer even more as a result of the Finance Minister's budget.

Moreover, I would add that the Minister of Finance was not being completely truthful yesterday in so far as Canadian economic policy is concerned when he stated with a straight face and without encountering any opposition that his government, the Canadian government, was very proud of the fact that since October 26, it had followed through on its election platform as set out in the red book. In referring to monetary policy, he said that his government had set monetary policy right so that it would never again jeopardize economic recovery. The minister is making fun of Quebec and Canadian taxpayers. What a joke!

Last December, I attended a press conference at which the Minister of Finance was accompanied by the new Governor of the Bank of Canada, Mr. Thiessen, who was the principal adviser to and right-hand man of the former governor, John Crow. Mr. Thiessen took this opportunity to unveil his monetary policy. And what was his monetary policy? They have exactly the same monetary policy as the previous administration, with their relentless and dogmatic fight against inflation without paying any attention to this goal they claim to have, namely job creation. Stop kidding the people and stop telling them that, once recovery really gets under way—if and when that happens and if this government does not jeopardize it—the Governor of the Bank of Canada will take, as he did during the first quarter of 1990, drastic measures to bring inflationary pressures under control.

I did not understand the point the minister was making yesterday when he said that this policy was changed to reflect a quantitative target to achieve balance between long-term price stability and short-term job creation requirements.

An hon. member: The red book has turned blue.

Mr. Loubier: Exactly! I was also surprised to notice that there was nothing in this budget to help the business community, and the small and medium-sized businesses of Quebec and Canada in particular, face the challenge of globalization. Again, the red book is disregarded, because the red book said this was a priority, that support would be provided to the small and medium-sized businesses to help them recover from the recession and face market globalization. What do we find in this budget? As expected, the Minister of Finance was true to himself and the budget is pure posturing. It reflects a taste for consultation, consultation and more consultation, without ever making decisions or taking positive steps.

The Minister of Finance is suffering from acute consultation fever. When he said: "Working in partnership with the private sector and the financial community, the government will seek the best possible way to provide long-term funding to businesses". The government is not making any decision, only a commitment with regard to consultation. I am still new to some things, but I get the distinct impression that I have been hearing about nothing but consultation, whether in the form of consti-

The Budget

tutional talks or citizens' forums like the Spicer Commission on the future of Canada, the future of something which is technically flawed.

(1620)

That is something! I quote another passage from the budget speech, where it says: "The government will undertake a thorough review of federal spending on science and technology, in order to implement a more effective policy to assist research and development".

Once again, for about five years, Canada has had a chronic R and D deficit; it is lagging in technological development, the key to meeting the challenges of globalization, and we are told that a thorough review will be done. What credibility can the Minister of Finance and this government have in presenting such things to us?

Still quoting the Minister of Finance: "The Minister of Industry, with funds available in 1994-95, will establish a program of technological partnerships to strengthen co-operation between public and private institutions, so that the results of research lead to new products and employment". For ten years we have been discussing these things, for ten years we have had no decision and the minister is continuing this governmental inaction.

I think that the time has come to act, to stop discussing, to stop sitting around a table and trying to develop new partnerships. The partners are there. They are waiting for this government to get out of its laissez-faire attitude, to make concrete decisions and not to compromise the economic recovery by its actions, by increasing taxes or in various ways. That is what people want. Presenting things like that is not serious.

Another very important point in the budget, which I found particularly disturbing, yesterday we discovered—I hear laughter from the other side, that is not serious, but so is the budget—who the real Minister of Human Resources Development was and we saw that it was the Minister of Finance, the member for LaSalle-Émard, who was dictating to the Minister of Human Resources Development that he would have to do without \$7.5 billion for social programs over the next three years.

I was shaken because there always is some trust between individuals and I believed the members opposite were serious in some regards. When the Liberals were the Official Opposition, they said that social programs should not be tampered with and they warned the Conservatives against meddling with the Canada Assistance Plan and the federal contribution to post-secondary education.

The current finance minister and the Prime Minister rent their clothes every time the Conservatives talked about changing social programs one iota. In this regard, yesterday the minister made everyone proud and happy by presenting us with a \$7.5 billion budget reduction plan over the next three years.

What kind of social conscience do these people have? Is this how they intend to restore tax equity and fairness in Quebec and in Canada? Is this what they had in mind? Is attacking the underemployed and the poor what they were thinking of? It is outrageous.

The Leader of the Bloc Québécois and Leader of the Official Opposition was right. When the members opposite talk about reforming social programs or about reforming the health-care system, like the hon. member for Hull—Aylmer did, they are talking about cuts. They are not talking about improving the systems but about cuts, pure and simple. We had undeniable proof of that yesterday.

It is the same thing with social housing. As you know, Madam Speaker, maybe better than I do, 1.2 million Canadians, mostly women and young children, are waiting for social housing. Why is that? It is because these people spend between 30 and 50 per cent of their income on rent. This means that they have roughly half of their income left for clothes, hydro, telephone, medication and unforeseen expenses.

(1625)

Not that long ago, some poor people from Quebec and every part of the country took part in a demonstration here in Ottawa. This is actually a good opportunity to make a point. Five MPs were there to meet these people, and all five were Bloc Québécois members. Neither the Liberal Party nor the NDP were represented.

These people asked us to be their spokespersons and tell this House as well as other Quebecers and Canadians about their plight and their daily hardships. The hon. members for Laurentides and Ahuntsic, a couple of others colleagues and myself have had the opportunity to work with these people and help them make a budget. Once they had paid for rent, food, clothes—and I mean the bare essentials—and medication for their children, some of these people, particularly single-parent families, had a deficit in their monthly budget. In the case of one person whom I had the privilege of helping with her budget, that deficit was \$27.

Again, the Liberals were in opposition last year and they were outraged when the Conservatives announced a \$600 million cut in social housing programs. But what are they doing now with this budget? That is the problem: they do nothing to give some hope to the poorest families.

I remind the Minister of Finance and member for LaSalle-Émard that the level of poverty in Montreal has constantly been on the rise in the last ten years. In that city—and the minister should know that since he is one of its prominent represen-

The Budget

tatives—close to 64,000 families, that is one family out of five, spend more than half of their income on rent. This makes Montreal the Canadian city with the largest number of renting households spending more than 50 per cent of their income on accommodation.

There is more, and I want the minister of Finance and member for LaSalle—Énard to listen to this. He is not here? Surely he must be listening to me. Excuse me, Madam Speaker, I apologize. I made a blunder. I wish the Minister of Finance would realize that in Montreal, as I said earlier, 64,000 families—one household out of three—pay more than 50 per cent of their income on housing, and 20,000 people are homeless. Are the Minister of Finance and his government going to close their eyes much longer to this human suffering?

It is time to stop the pretty speeches and take action. The government should stop saying it will do anything at all to help people, when it agrees to maintain a decision to cut \$600 million from the budget for social housing.

I have a few comments on national defence, since the Minister of Finance and the Minister of National Defence referred to the Bloc's position on the subject this afternoon. The measures in this budget are not what the Bloc Québécois asked for. I will explain, perhaps for the last time in this House, what the Bloc's position was on the budget for National Defence. The Bloc Québécois was in favour of a 25 per cent cut in the defence budget. It favoured using part of the resulting savings on reconversion of defence industries to civilian use, something which is entirely absent from the budget plan of the government and its Minister of Finance. It is not the same perspective. They can use as much political rhetoric as they like, as the Minister of National Defence did this afternoon, but they cannot deny that this was requested by the Bloc Québécois.

(1630)

Second, we asked, and we defended the principle during the election campaign, that a fair share of Canada's national defence budget be spent in Quebec. We asked that fairness be restored to the system before proceeding with drastic cuts just about anywhere.

Today, and the Official Opposition defence critic will correct me if I am wrong, about 19 per cent of Canada's national defence budget, let us say between 17 and 19 per cent, is attributed to Quebec, although Quebec represents 25 per cent of the population, and now they say: of course you will agree with the closing of the only francophone military college in North America. I think that is outrageous. We will never agree with that decision, and I can assure you that in the case of the Collège militaire royal in Saint-Jean, the Bloc Québécois and its supporters, and I think we have quite a few in Quebec today, will stand and fight,

and I mean this quite seriously, against the closing of the only francophone military college in North America.

Some hon. members: Hear, hear.

Mr. Loubier: Time is flying, but I was told I had unlimited time. I find that fantastic, although I would not want to exaggerate.

I would like to say a few words on international assistance. We did not talk much about that, and I think we should start. The budget contains a 2 per cent cut in international assistance. That is a \$400 million reduction in the budget over the next three years.

The Bloc Québécois, short of increasing the budget for this item, would have asked the government to keep the level of Canadian development assistance, because we are still quite far from the objective of 0.7 per cent of our GNP for international aid programs. As I could see during my years of employment with a farmers union, poverty in Latin America as well as Africa is not only still there, but it is increasing. The government could have corrected some of the administrative problems in international development that the Auditor General pointed out in his last report. We should, at least, have had the decency of maintaining the level of our international assistance, our commitment to helping the neediest on this planet. It seems to me that it is not much to ask of a country like Canada.

We should not forget that every time we teach people in the developing world to do something, they become wealthier and therefore, they acquire goods and services in Canada. Such a cut is therefore postponing possible growth in the demand for Canadian goods and services. From an economic point of view, the only one that the government ever takes into consideration, this fact should have been remembered. We deplore the \$400 million reduction in international development assistance over the next three years, while children in Africa and Latin America continue to die every day.

In conclusion, I would just like to say that this budget is devoid of the measures that the government should have taken. Moreover, its spending reduction targets are ridiculous because as I said at the outset, in nominal terms, expenses will not be reduced over the next three years. In fact, spending levels will remain relatively stable.

This budget does not contain any serious measures which would allow the government to get its finances in order. As many observers have pointed out since yesterday, it is not a visionary budget. It does not contain any job creation incentives to give some hope back to the 1.5 million Canadians and 460,000 Quebecers who are unemployed. The middle class is being taxed to death, while the poor and the disadvantaged will feel the effects of cuts to social programs.

The Budget

(1635)

If I may digress for a moment, last week I was rereading René Lévesque's memoirs and a thought came to mind. As you know, in Quebec, Mr. Lévesque left us with a legacy whereby political parties can only accept contributions from individuals. I notice that the federal Liberal Party and the Reform Party have no such system in place. This seems to be the case just about everywhere in Canada. I wonder if the fact that the Liberals do not have such a system explains in part why they did not move in this budget to close the various tax loopholes which benefit large corporations or to do away with family trusts which benefit the wealthiest members of society.

I went and got a copy of the report the Federal Liberal Agency of Canada submitted last year to the Chief Electoral Officer of Canada, only to discover that among the contributors whose names I will not mention—the report is public domain, anybody can refer to it—there are Canadian manufacturing industries which have contributed up to \$68,000 to the election fund of the Liberal Party of Canada. Probably the same ones dodging tax in tax havens like Barbados and the likes. I also noticed that the Liberal Party of Canada received from banks and trusts companies amounts ranging from \$12,000 and \$45,000. They are the ones responsible for administering family trusts.

I wondered if that did not explain in part why the government across the way, the Liberals, did not eliminate this kind of preferential tax treatment for contributing friend of the Liberal Party of Canada. When you accept contributions like that, you have to expect to have your hands tied once you are in office. You must also expect that you will not really be free to make the right, timeliest and fairest decision. I wondered if that was not the reason. If indeed it is, I am outraged. If not, prove it to me. Let our friends opposite put in place a system based on René Lévesque's great legacy, a system similar to the one we, the Bloc Québécois, have adopted.

Our hands are not tied. We can speak on behalf of middle-income taxpayers and those suffering the most hardship in our society, without the diktat of large corporations and the wealthiest families of Quebec and Canada being imposed upon us.

To conclude, I would ask the Minister of Finance to take off the work boots the Prime Minister has offered him, because I believe he is not worthy of wearing them.

I therefore move:

That the motion be amended by deleting all the words after the word "That" and substituting the following:

"this House denounce the reversal of the Government's position on the budget which:

(a) tackles the problem of the deficit on the back of a middle class already bled white by the tax increases of recent years:

(b) gives up trying to control spiralling deficit-related expenditures by basing its fiscal analysis on unrealistic revenue projections;

(c) refuses to eliminate tax loopholes for the wealthy and for big business;

(d) abandons the poor to their fate by its readiness to slash funding for social programs; and

(e) continues the destructive policies of preceding governments by demonstrating a flagrant lack of long-term vision and by giving no hope to the jobless."

Some hon. members: Hear, hear.

(1640)

[English]

Mr. Ray Speaker (Lethbridge): Madam Speaker, thank you very much for the opportunity of addressing this assembly. I would first of all congratulate the minister for presenting us with his first budget. I encourage him today to do better. That will be my objective.

In summary, what I would like to say to the assembly are basically three things: First, look at some of the positive aspects of this budget; second, examine taxation, the deficit budget proposal; and, third, make some proposals on behalf of the Reform Party to this assembly and as well to the Liberal government in terms of the priorities and some of the things it can do to bring the spending of this country in line and deal in a more responsible way with our fiscal budget.

As well at this moment I would like to offer my appreciation to the hon. member for Saint-Hyacinthe—Bagot. The hon. member has been very eloquent today and has laid out a number of proposals. I do not agree with a number of the specifics that were presented to us here today, but I hope when I am able to speak en français that I am as fluent and as facile as the hon. member was here this afternoon.

This budget gives us as Canadians, and certainly members of this House, the first opportunity to judge the government on its promises. Canadians over the last few years have faced a number of difficult things: inflation, large tax increases, GST, and certainly recession.

Canadians are now asking the government a most important question. Will this new budget offer them hope, tax relief, and an end to the chronic deficits that this country has had in the last 10 years, deficits that have smothered us and created difficulties for employment opportunity, business growth and economic growth? They are asking that question and this government must answer it.

To be fair, and this is the Reform way, I want to talk about some of the positive aspects of this budget. First, I want to acknowledge what the government has done in terms of social programs, that it has started to target them toward those most in need. In these sad economic times we as Reformers believe that is a basic principle to be adhered to. In light of that principle, we

The Budget

recognize the changes to the UIC and the elimination of the age credit as well for wealthy seniors.

Second, I recognize that this budget does bring about restraint, not excessive restraint or the type of restraint we would like to see, but modest restraint. If that is a slight flavour of what we are going to see in the future, then it is a good beginning. If it is not, then it is a very unacceptable start.

(1645)

What we do not see along with that restraint is a real spending plan and that concerns us. We see this restraint in the military reductions. I know the hon. minister will address this today and will go into detail on some of those reductions which we hope will have fairness across Canada.

Our first review and examination of the reductions taking place regionally seem to be fair and spread across Canada as such. We appreciate the way that was handled. We were concerned prior to the budget that the cuts might be all in one province or in one region which certainly would have been very unfair.

The other area of modest restraint we see is in terms of decreases to business and regional subsidies. The red book had indicated \$225 million to \$250 million. They are around \$150 million less but there is restraint.

The third item is the modest reduction in some of the government operations. We certainly salute that and encourage the government to pursue that direction.

When I examined the budget, and listened in the lock-up and listened to the speech by the hon. Minister of Finance, my attention was drawn to some of the comments on pages 1, 3 and 15 of the budget speech. I would like to read those comments into the record to set the tone for what I have to say later.

This is what the Minister of Finance said they want as a government:

A Canada where our public finances are in order, not ruin.

The days of government simply nibbling at the edges are over.

We need a new architecture, for government and for the economy.

On page 3 we can read this quote:

The era of tax and spend government is gone.

People told us we should freeze spending. We agree.

On page 15 is the support for what I have already quoted: "One of the reasons for the growth of the underground economy is that Canadians believe that taxes are too high. We agree". He said that; I say that. He went on to say:

We want Canadians to rejoin the legitimate economy, not leave it. Our objective is to get growth up and get the deficit down so that in the years ahead, taxes can be reduced. Ultimately, the pay-off for getting the deficit down will be lower taxes.

Those are excellent statements. When I heard them I felt as if I were flying like an eagle over the prairies of Alberta. I felt dominion over all. But all of a sudden, as I read other parts of the budget I felt as if I had crashed like a duck on the ice of Lost Lake in southern Alberta. What a change and what a let down.

When we examined the budget speech we came to the conclusion that the government was not coming to grips with some of the problems. We have renamed it the child of the red book and the budget speech is the red ink book. I am going to talk about that for a few moments today.

First, let us look at why the red ink. Canadians told all members of this House of Commons that they were overtaxed. However, if we look at the red ink book—

The Acting Speaker (Mrs. Maheu): I am sorry. Perhaps the hon. member is not aware that it is not permitted to raise the red ink book in the House of Commons.

Mr. Speaker (Lethbridge): Madam Speaker, certainly I will try to—

The Acting Speaker (Mrs. Maheu): I am sorry. I requested that the hon. member not raise the red book from his place in the House of Commons.

(1650)

Mr. Speaker (Lethbridge): Thank you very much, Madam Speaker. I will adhere to that directive from the Chair.

The red ink budget presented to us told Canadians that there was going to be an increase in taxation levels and that the government would be relying on increased revenues for a large portion of its deficit reduction program. That was unacceptable.

Canadians have said in the last few months that we must stop overspending and get rid of the deficit now. What did that red ink book say to Canadians? What did the government say yesterday and today?

The budget will contain a \$40 billion deficit and there will be minor expenditure reductions to reduce the deficit, a little today but mostly later. Mostly later, not today. If we examine the budget further we find that most of those reductions were taken by other expenditures, new expenditures of government, so we did not get ahead. We are \$40 billion in debt.

Canadians wanted a long term plan, a plan for at least the 35th Parliament. Did we get it out of the red book? We got a two phase plan but it did not meet the request of Canadians. It is totally silent on a formal plan to deal with Canada's economy.

Another thing Canadians wanted was jobs, jobs and jobs and this was on the marquee of the Liberal Party during the election. When we read through all of these documents presented to us, the budget speech, the budget plan, the supporting documents, and the hearings we attended, there was no mention of numbers in the goals for jobs, either through job creation or job opportunities created by small and medium sized businesses across

The Budget

Canada. The numbers there are minor to the real need of Canadians. There is nothing comprehensive in a plan that speaks to Canadians as to what this government intends to accomplish.

To sum up why I call it the red ink book plan it is because this government has not heard what Canadians have said on taxes, on the deficit, on the plan. Most important the government has not dealt with the question of jobs.

The minister claims he is going to do that. He presented the budget in a pair of what I call farm work boots. I want to say this very clearly. If someone came to my farm one morning, I hope ready to work, and at noon those boots were still clean and nothing really had been done, I would not keep that person around very long.

It is time for the Minister of Finance to get to work and get those boots dirty. It is time that the minister, the Prime Minister and other ministers of this government take on the tough job they face in terms of the economy. They have to show the will to deal with the difficult circumstances, the overexpenditure, the high taxation which is suppressing businesses across Canada, the high taxation which is creating doubt and a lack of confidence for investment that would create job opportunities for all Canadians.

I want to make some remarks about taxes and the attitude of the Liberal government on taxes which is highlighted in the budget. The minister was so proud when he presented it. He said: "For every \$5 of cuts we only are raising taxes \$1 over the next three years on a three year average".

Looking at some of the projections on the cuts, they are questionable in terms of whether the government will achieve them with the present policies which are in place. That is number one. However the other indicator that may be more realistic is the 1994-95 budget. The cuts for 1994 according to the budget speech are going to be \$2.1 billion. The new program funding that will be introduced will be \$1.7 billion. The net cuts that are realistic are \$.6 billion.

(1655)

Looking at that picture in terms of taxes versus cuts, for every \$1.25 of tax increase there is \$1 in cuts. This is the opposite of what the government is claiming in terms of a \$5 cut for \$1 increase in taxes.

The second thing that concerns me with regard to taxes is that this budget depends on revenue growth; that is, more tax revenue to deal with its responsibility. The expenditure levels are somewhat consistent at \$122 billion. However to deal with the deficit and bring it down the government is placing all of its hope on revenue growth. That is all right on one hand but on the other we have to look at the expenditure side.

Looking back in history to the 10 years of government under the Tories and what they did in their plan, they never came to grips with expenditures. They never dealt with priorities and kept on spending. One of the major criticisms that can be made of the present budget is it seems that the tax and spend days of the Tories are not too far away from us. That is unfortunate because we expected this government to do better.

Why should we have some concerns about high taxes and increased taxes? First of all, as was said by the finance critic of the Bloc Quebecois, internationally Canada has the highest tax burden of the G-7 nations, except Germany. When we look at that we wonder about our underground economy. We need to lower the taxes.

The second thing I would like to bring to the attention of government is the provinces. They are concerned about this continuous increase in taxes.

Not too long ago Quebec Premier Johnson said in an article that we have to do everything possible to avoid higher taxes. In that same article his finance minister made some similar comments that we have to work on the expenditure side, cut on the expenditure side, not increase tax revenues. They called on Ottawa to keep the tax levels down.

In Alberta a very comprehensive program of deficit reduction is going on. The premier intends to balance the budget within at least three or four years and get rid of the deficit. That is a very noble plan.

However if Ottawa continues to increase taxes and impose costs on the provinces it makes their job very difficult. We have to deal responsibly with this budget at the federal level.

Another item which concerns me is noted in a document dated February 1994 from the Dominion Bond Rating Service. It comments on the weaknesses of the Canadian government sector. In trying to rate the credit for the federal government, two things are said: "Revenue, the new problem: (a) The economy has a lower tax generation capacity than in the past; (b) Tax rates are high relative to the U.S. in almost every category". I do not think that speaks well for the Canadian scene. We should recognize that and deal with the problem before us.

I would like to comment on the deficit reduction plan of the government. As I said earlier the proposed cuts are offset by spending in 18 new program areas. In this budget there are 15 program reviews. My experience has been that every time a committee or group is put together to conduct a review most of the recommendations are expensive and call for increased expenditures. I certainly hope that does not happen here. However, that is usually the pattern.

The Budget

(1700)

The third point I would like to make is that total budgetary spending is to increase over the next two years. It is not going to decrease. There is a slight increase built into it. Under the current conditions that is a rather scandalous circumstance.

One item I raised in the House today was with regard to the Spending Control Act. I feel that is an act that had at least the possibility to set some benchmarks so that when people wanted to examine whether the government is in a positive trend or in a progressive way dealing with the deficit, reducing expenditures, through that act, there would be a benchmark. The government has felt that it can do it on its own. It takes the ceiling off and is going to be responsible. It has not proved that yet and the question is still out. Why not leave it there? Is the government afraid of targets?

Another point I would like to make is that this two-stage budget is not meeting the needs. Stage one is doing almost nothing. Stage two is measures after lengthy and costly studies. That is not good enough. Where and when can we meet these lofty goals?

The 3 per cent plan of the government to deal with the deficit and to reach \$25 billion in the year 1995-96 is not good enough either. Canadians need something more concrete. There are a number of reasons why that 3 per cent target is not adequate. The Maastricht treaty that was set up required that as an entrance requirement. Any country that was involved in that economic union was asked to deal with its deficit and balance its budget. That was part of it.

The priorities of the Reform Party are to reduce and eliminate debt. During the period we are here we want to be the conscience of this Parliament and call for very responsible spending.

I would like to move an amendment very quickly:

That the amendment be amended by removing all the words after "government" and by adding thereafter the following words:

and regret that the necessary measures were not taken to balance the budget by the end of the 35th Parliament.

The Acting Speaker (Mrs. Maheu): The Chair will examine the proposed subamendment and will advise the member shortly.

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I ask the indulgence of the House.

I would like to ask the hon. member for Lethbridge a question. I can appreciate some of his comments. He has been pretty fair in his analysis. However, in the context of the subamendment that he has just laid down, the Reform Party obviously wants drastic cuts to our budget.

I would like to ask him how those cuts, if implemented, would play out in the defence budget. Is he advocating in the House today the closure of further defence facilities, more than were done yesterday, such as CFB Winnipeg, CFB Moose Jaw, CFB Edmonton, CFB Calgary, the training facilities at Wainwright and Suffield, CFB Cold Lake? Could the member answer that question?

Mr. Speaker (Lethbridge): Madam Speaker, I appreciate the question from the minister of defence. The Reform Party did call for reductions in the area of defence spending based on budget figures of some eight to twelve months ago. Things have changed somewhat in the interim. However, our figure at that time was in the area I believe of 25 per cent, around \$2 billion dollars.

In terms of where we are at the present time, we support the reductions that have been made. We are concerned, however, that we sort of put the cart before the horse.

(1705)

Like other members, and I am sure the minister would like to have done this, we would like to have been able to examine Canada's defence position in total. Then, once we have agreed as to what our objectives are, we could work back and have the budget facility there to support those objectives.

I am sure the minister would like to have done that and we would as well. Under the circumstances, we cannot always have the conditions that are most favourable.

Concerning the reductions that have been made, we support those. I think now we should get on quickly and do the review so that we can then look at whether further reductions can be made.

In terms of specifics, as a caucus or a group we have not done an analysis of each one of the bases. I cannot answer the hon. minister's question regarding that. If I had the information, I would lay it on the table. Our caucus has not taken a step-by-step procedure through which we have made a judgment on each one of those bases.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm): Madam Speaker, I have a short question for the hon. member. I listened carefully to his comments and I find them rather philosophical, dealing in generalities. However, now that we know exactly what is in the budget, we know that the government is attacking two things, to name only these: unemployment insurance and seniors. We know that the tax credit for people 65 or older will decrease progressively for net incomes over \$25,921 and will disappear for incomes over \$49,100. We also know that the government will cut transfers for unemployment insurance, education and welfare by some \$466 million and by \$1.5 billion 1996. I would like the hon. member to tell the House whether the Reform Party agrees with this kind of measure. Can seniors and people receiving UI benefits count on the Reform Party, which is

The Budget

an opposition party, to raise its voice loud and clear against this injustice? Can these people count on the Reform Party for support?

[*English*]

Mr. Speaker (Lethbridge): Madam Speaker, in terms of unemployment insurance, the Reform Party believes that we should build that program into an insurance program so that it pays its way. Those who pay in get the benefits thereof. That is number one.

Second, in terms of some of the changes that have been made to deal with the \$6.6 billion deficit that is currently in the unemployment insurance program, those changes would be supported. We think those who are most in need will still be able to receive benefits.

With regard to transfers to provinces in the area of education and health care, that was one of the areas I was to cover in my remarks here today, but I was not able to set out that list of priorities.

The Reform Party has said very clearly that the transfers given to the provinces for health care and education in the budget of 1992-93 would be maintained and that we would not reduce the transfers any lower than that fiscal year. If the current proposal of the government indicates that the transfer payments would be reduced below that, we would have cause for concern.

The Acting Speaker (Mrs. Maheu): The Chair has looked at the subamendment. We have examined it and we find it to be receivable. I will read the English translation. It is moved by Mr. Speaker:

That the amendment be amended by removing all the words after "budget" and by adding thereafter the following words:

and regret that the necessary measures were not taken to balance the budget by the end of the 35th Parliament.

(1710)

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I am very pleased to have an opportunity to address the House in this first day of the debate on the impact of budget 1994, especially as it concerns the Department of National Defence.

In the past few weeks it seems that every time we turn around there are defence issues facing us. We have had a debate on our peacekeeping mission in the former Yugoslavia. We have had a debate on the cruise missile test. We had a debate last week on the establishment of the special joint committee on defence review and there have been many questions in the House relating to some of those issues.

It is quite obvious that there is a great interest in defence policy in the country.

[*Translation*]

Why such great interest? Because the government intends to keep its election promises to Canadians, particularly the promise to review defence policy and to substantially reduce the national defence budget.

The time has come to fulfil our promises and that is what we are doing. That is why we have taken important steps to implement the economic program outlined in the red book. If I may, I would like to start with our economic program.

The government's number-one priority is to put the Canadian economy back on track. The government has expressed its intention to tackle the enormous federal deficit. At the same time, we must stimulate employment and economic growth. Our policy, based on these two requirements, translates into a program in two parts: one, job creation and economic recovery and two, decisive action to bring the debt and deficit under control.

[*English*]

In fiscal policy, our goals are quite ambitious but realistic. This distinguishes ourselves from the members of the Reform Party. As we have just heard from the member for Lethbridge, his party would like to put in place a deficit reduction regime that in our view would bring on an absolute economic depression in the country if the measures were put in place to reduce the deficit during the life of this Parliament as he and his colleagues are advocating.

Instead, our government intends to get the federal deficit down to something more realistic, 3 per cent of GDP during our first mandate. This will require very strict discipline in government spending in all departments. To stimulate growth in employment, which is the other side of this debate, and it seems the Reform Party forgets, we will be moving on several fronts.

For example, together with the provinces we have launched the public works program to renew elements of our national infrastructure. In the last election campaign the Liberal Party promised to cut defence spending by \$1.6 billion over four years beginning April 1 of this year. Much of the money that we cut yesterday in the budget will have gone to the national infrastructure program.

While on the one hand we have been taking it from the defence end of expenditures, we have been recycling it and reinvesting it, if you will, in the public works infrastructure program which is now taking effect and which will have an impact on all parts of the country.

The hon. member for Lethbridge raises a very interesting point. I dealt with it last week, but I want to reiterate it. Why did we make the cuts that we made yesterday in the budget without first waiting for the results of the defence review? It is a genuine question and I will repeat the answer I gave last week.

The Budget

In a perfect world we analyse our priorities, our policies and then we look at the money we have to implement those policies and put them into effect. We do not live in a perfect world. The fact is, and the hon. member for Lethbridge will agree, the debt situation is becoming quite alarming. The deficit has gone up astronomically. It is much larger than we believed when we first entered office. The Minister of Finance has made that point. As a result we had to act very quickly.

We acknowledged this before the last election campaign. I will not raise the red book. I do not have to raise it. It has become a benchmark for political discourse in the country and will go down as one of the great political documents of all time.

(1715)

In the red book we outlined a regime to reduce defence spending, as I mentioned, \$1.6 billion beginning April 1. We could not wait for a defence review. The mere setting up of the committee has taken time. Parliament only returned in January. We had to debate the motion. We were surprised that there was a recorded division forced by members of the Official Opposition on the motion. We voted on it this afternoon. They objected to the participation of the Senate although, to give them their due, they are willing to participate after they express their views against the Senate.

We are just getting the committee under way. The Minister of Finance had to act. He had to demonstrate to Canadians and to the financial markets that we knew where we were going in terms of the financial regime of the country. As a result these cuts had to go into effect now.

To preserve the integrity of the process upon which we voted this afternoon, I say to the hon. member for Lethbridge, we have cut the defence budget in such a way as not to impair what is known as the sharp end of defence. In other words we have taken the tough decisions. Members will see in the days ahead when the full impact of the budget becomes known that we have taken tough decisions in base closures and other installations. There are 21 closures and reductions altogether that other governments had failed to make.

For 10 years the Conservatives sat here in the biggest post-war economic boom and did not deal with the tough questions of surplus military infrastructures. They just sat on them and saddled Parliament with the consequences of their action, which is a deficit last year of \$45 billion. They should be ashamed of themselves.

They paid the price in the last election. That is why there are only two of them sitting in the House. I am not so sure about the member for Saint John. She voted with us more than with the Conservative Party. Maybe she knows something the rest of the Canadian public figured out in the last election. The Conservative Party has been penalized, perhaps irrevocably, for what it

has done to the country. The Conservatives should have taken these tough decisions and not left them to us.

It has been heart-wrenching and gut-wrenching for us on this side because most of the closures are in ridings represented by Liberal members of Parliament. It is pretty tough for them to go back home to Cornwallis, to Shelburne, to Gander or to Chatham. Even the Minister of Industry in Ottawa and those of us from Toronto find it tough. I see some colleagues here from Don Valley North, High Park and Rosedale; they are all here. We have to go back and say why 1,000 jobs are being left in Toronto. We are not dumping this on the opposition. We are taking the responsibilities the Tories should have taken in the last 10 years.

If we had not done that we would have had to have taken it out of the sharp end. We would have had planes that would not fly. We would have had lovely new frigates admired by many nations in the world, certainly by our American friends, that would not sail. They would not get off the Grand Banks because we would not be able to afford to operate them. We would have peacekeeping troops in Bosnia; luckily they do not have to shoot much, but we might very well have had to send them over there without bullets. I am being somewhat facetious, but we could not have continued our international commitments if we had taken out of the sharp end of the military budget at this time. We dealt with the tough questions.

When the review is complete we will have a military of which we can be proud. Even with these reductions the number of combat personnel in the army is going to go up about 2,500. We are reducing the number of uniformed personnel from the current 76,000 to 66,700 people. Yet we are adding, because of the economies we are making, 2,500 combat troops for future engagement. That is good management and I think Canadians will appreciate it.

Some people could ask: "Why are you cutting bases and throwing people out of work? Why don't you just cut capital expenditures?" I hate to say it but the former government of which I was a part in the early 1970s took that approach. We kept the capital expenditures low and the results were not very well appreciated by our NATO allies or certainly by our military. It is like anything else. If we let our cars run down and do not get them fixed, if we do not have our houses painted, at some point our past catches up and we have to repaint, buy new cars or spend a lot of money as I did this week on my car to get it running after this tough winter.

(1720)

We did not cut the capital projects. Would hon. members want us to cut the armed personnel carriers now being constructed in London, Ontario, by General Motors? Our order has given the critical mass to produce and sell 800 armoured personnel cars to the U.S. marines and bring needed foreign exchange and jobs not only to southwestern Ontario but to other parts of the

The Budget

country that contribute components. Do they want us to cancel that? I think not.

I said to some colleagues on the east coast: "Did you want us to cancel the coastal patrol vessel with nearly a billion dollar contract that will keep the Halifax shipyards working for the next few years?" This is work that can be built upon by other contractors and value added for the future. No.

[*Translation*]

I ask members of the Bloc Québécois, the Official Opposition: Do they want that contract for the construction of a new supply depot in Montreal to be carried out?

[*English*]

We are going to build a state of the art supply centre in Montreal, in consitutencies represented by the Bloc Québécois. We are not playing politics. We are thinking about the best interest of people in Quebec in this case.

Are they saying they want the 25 per cent reductions they bandied about to be taken out in this way, by cancelling a \$270 million computer contract, much of which will be spent in the province of Quebec? Did they not want us to consolidate the supply mechanism in Edmonton and in Montreal? I would like answers to those questions.

While I am on the subject of the Official Opposition, I read a quote from question period that I liked so much I will read it again. Before doing so I will read a quote from yesterday's debate.

[*Translation*]

I quote the hon. member for Saint-Hyacinthe—Bagot, who just ended his speech and who said this in his reply to the budget speech yesterday in the House: "I have the feeling that this government is living on another planet, that it is not aware of Canada's excessive debt, which puts it in first place about everywhere in terms of poor performance".

[*English*]

They say we are living on another planet and ask whether we know about the debt. Then they sit here this afternoon and criticize us for the cuts that were made to the province of Quebec.

My friend over there, the critic, is a nice guy but this is what he said in the House of Commons on February 17.

[*Translation*]

I quote the hon. member for Charlesbourg: "In spite of it all, the defence infrastructure remains far too big for the size of the forces. With a strength of merely 78,000 members, the Canadian Armed Forces are maintaining from coast to coast facilities that could accommodate 140,000. Obviously, more cuts are needed,

especially since several of our bases"—several of our bases, Madam Speaker—"are obsolete and increasingly expensive to maintain".

But not in Quebec. Oh no! Not in Quebec! Make cuts, but not in Quebec! That is what the Bloc Québécois member is saying.

I continue to quote, Madam Speaker: "Also, their strategic value is not the same as it was at the time they were built. So, for all these reasons, the government will have to make a choice and impose a new round of closures". I just quoted the Official Opposition critic for National Defence and Foreign Affairs.

I will now quote the hon. member for Verchères, who said this during the same debate, on February 17: "During the last election, and many times since October 25, the Bloc Québécois has reaffirmed its support for cuts in the budget of the Department of National Defence. Despite the international context I have just described, we believe that we could cut that budget by some 25 per cent without dramatically impairing the operations of that important department". That is what he said in the House, Madam Speaker.

(1725)

If we cut the defence budget, as we did yesterday, there will be a decrease in the number of soldiers and officers in the army and other Canadian forces. That is why we do not need three military colleges. I want the hon. members over there to be honest and to acknowledge that we are not closing only the Collège militaire de Saint-Jean, in Quebec, but also the Royal Roads, in British Columbia. We are trying to be fair to the people in Quebec and to all Canadians.

An hon. member: How sad!

Mr. Collenette: We made cuts, yes, and it is sad. Ten years ago, when I was a member of this House, I went to the Collège militaire de Saint-Jean to study French, and I am sad at the idea of closing this college. As I said during Question Period, there will be a military college in Kingston, a national military college for all Canadians, where everything will be done in both official languages. I see the hon. member does not believe me.

[*English*]

These people over there say one thing every night on the news in Quebec; I watch the news from Quebec. They say one thing there and another thing here. They do not believe in the same concept of Canada we believe in.

The hon. member for Charlesbourg stood in the House and said, as have some of his colleagues, that there cannot be a bilingual college because it is not in Quebec. What about the million francophones who live outside Quebec? What about them? I do not get upset very often, but I get upset when I hear that kind of rhetoric. That kind of rhetoric tries to tear the country apart and we are not going to have any part of it.

The Budget

Before I lose my composure let me say I am really concerned about some of the two-faced comments I have heard on the closing of the military college in Quebec.

[*Translation*]

Mr. Crête: Madam Speaker, on a question of privilege.

The Acting Speaker (Mrs. Maheu): The hon. member for Kamouraska—Rivière-du-Loup on a question of privilege.

Mr. Crête: Madam Speaker, the Minister of National Defence is putting words in our mouths that we never said. He is misinterpreting our statements. I am not talking about speeches which were read, but about speeches where he accuses us of being windbags. We are in a situation—

The Acting Speaker (Mrs. Maheu): I am sorry, but this is not a question of privilege. The hon. minister.

[*English*]

Mr. Collette: Madam Speaker, there are worse things in life than being accused of speaking in rhetorical tones.

I want to be serious for a moment. What we did yesterday is, as I have said, gut-wrenching. There will be 16,500 people in the armed forces phased out over the next four years. It is going to be tragic for many lives. In a sense we have walked through the lives of many Canadians. We have to show our understanding as members of the sacrifice these people will be making.

We are putting in place a very generous regime to deal with both our uniform personnel and our civilians. In terms of uniformed personnel there are measures such as pensions, annuities and training. For the civilians there will be in a sense a buyout package, training moneys over and above what would normally be coming to them through the workforce adjustment act. We have been discussing these matters with our unions and we hope to have their co-operation. I know it is a bitter pill to swallow.

When hon. members examine the true picture of how we are trying to deal with the people who are losing their jobs, they will see we have been as fair as possible, given the financial situation of the government.

With respect to the communities affected we have a real problem in some areas. I mentioned some of my colleagues from South West Nova, Miramichi, South Shore and Gander. These are poor areas. There is very little industry there. A facilities were surplus. They were facilities that we could not justify keeping open. We will work with those members. We will work with the provincial premiers, especially the three Atlantic premiers concerned, Premier Wells, Premier Savage and Premier McKenna, to try to find uses for those facilities.

(1730)

As I said last week, there is no magic solution. We just do not have a pot of money to throw at the situation as the previous government did with Summerside. We are going to have a very lean, effective military when this is all done. It will be one of which all Canadians will be proud. In the meantime we have to try to soften the blow as a result of some of these base closures.

I think when all is said and done, after the next few months when the defence review works itself out, Canadians will appreciate the role of defence spending. They will appreciate what good measure for money we get with those taxpayers' dollars, both in our international presence and domestic presence. I hope there will be a well thought out, well crafted policy, one that we can afford.

Again, by doing what we have done in the last few days we have preserved the ability of the sharp end, the ability of the forces to have a very professional, lean, efficient presence, well equipped to be able to go overseas and march with the best because we will have a proud group of people worthy of our Canadian military tradition.

In closing, I would only repeat the words of the Chief of Defence Staff yesterday who appreciated very much the efforts that have been made, especially by those who will be losing their jobs, and the understanding of the forces across the country.

[*Translation*]

The forces use both official languages.

[*English*]

Those forces, which are part of the fabric of Canada and help to unify Canada, will get through this difficult time and move on to better things in the future.

Mr. Ian McClelland (Edmonton Southwest): Madam Speaker, I would like to say first of all that before I am a member of the Reform Party, I am a Canadian and a very proud Canadian. I hope that the budget brought down by the Minister of Finance works. This is our country and we need to work together. All of us here are Canadians and all want to be Canadians at the end of the day.

In this budget debate the Minister of National Defence has been explaining the difficult time he has had with the cuts that he has had to be responsible for. I think on balance they have been very fair. The minister is absolutely correct that these are decisions that should have been made 10 years ago. Had they been made 10 years ago, it would not have been nearly as rough today. I personally commend the minister for the good job that I think he has done in that regard.

I do have a question and it has to do with the budget forecast. The budget is relying almost exclusively on an increase in revenues. It is relying on an increase in revenues of about 15 per

cent over two years after coming from a year, last year, with a decrease of 5.6 per cent.

In my experience every time I have had trouble in my business, and most bankers would say most businesses have a problem, it is with forecasting revenues too high and expenditures too low. The expenditures are forecasted to rise just .3 per cent over this same period.

My question for the minister is this. In a period of deflation, which we are in right now—at least in my opinion we are in a time of deflation—do we have any backups to prevent a further erosion of our fiscal position if the revenues that are projected and we hope arrive do not arrive?

(1735)

Mr. Collenette: Madam Speaker, I am not sure I am qualified to answer this question. I have been somewhat preoccupied with a department that is looking at a dearth of revenues. The Minister of Finance should really deal with it.

He is pretty confident that the projections he has given will be realistic and will be met and that the doomsday scenario that is implied in the question of my hon. friend will not materialize.

I would also like to say that his comments were most appreciated and in the best tradition of parliamentary debate in understanding the difficulties that we have had with the defence cuts.

[Translation]

Mr. Claude Bachand (Saint-Jean): Madam Speaker, I listened very carefully to the minister's comments, and it seems to me there are some figures or details he either failed to mention or mentioned so quickly that I did not hear what he said.

Before putting my question, I just wish he would agree that as far as bases, colleges and infrastructures are concerned, Quebec has always been short-changed. There is no comparison between what happens in Quebec and what happens in the rest of Canada.

For many years, the policy at National Defence was to compensate for this imbalance with substantial military contracts that made up for the lack of military infrastructure in Quebec.

The international situation has changed, however. So much so that the Bloc Québécois does not protest when a contract is cancelled, as in the case of the helicopters, because although this contract would have gone mostly to Montreal, we preferred to see the money invested elsewhere. We never objected to the cancellation as such.

There is also the new procedure for distributing these contracts across Canada. In any case, will the minister confirm

The Budget

today that Quebec has only 13.8 per cent of all the infrastructures? That Quebec has only 15.8 per cent of defence spending in Canada although it has 25 per cent of the population?

I did not hear him mention those figures. But when he closes bases or colleges in Quebec or cuts as little as 5 cents or a dollar, he adds to the imbalance in this respect.

The figures I mentioned, 13.8 per cent of military infrastructures and 15.8 per cent of defence spending, while we have 25 per cent of the population, if the minister can confirm those figures, would he agree that he is adding to the imbalance by making budget cuts that affect Quebec?

Mr. Collenette: Madam Speaker, I am not sure whether I have enough time to give the hon. member a detailed reply, but he is right that the percentage of the defence budget spent in the province of Quebec is lower, simply because there was a lot of construction in the maritime provinces during World War II.

I must point out, however, that as a result of major cuts in the rest of the country, after this budget the percentage of military spending in Quebec will have increased. It was 19 per cent yesterday, and today it is 22 per cent, even after closing the Collège militaire royal and part of the base in Saint-Jean.

I appreciate his reasoning that Quebec is not getting its fair share, but that is a result of its geographic location in this country. If we had cut 25 per cent we would have had close the Valcartier base in Quebec City or perhaps Bagotville. If we had followed the recommendations of the Bloc Québécois with budget cuts of 25 per cent, there would have been more drastic cuts.

(1740)

This is not a good time for Quebec, but it is not a good time either for other provinces, especially in the Atlantic region. I think Quebecers will appreciate they have done their share to fight the deficit by taking these cuts in the defence budget.

[English]

Mr. Jay Hill (Prince George—Peace River): Madam Speaker, I thank the minister for his comments. I enjoyed listening to his statement.

I noticed he used terms like maintaining the sharp end of defence and that our military in the future would be a lean, effective military. I notice when I review the red ink book that there seems to be no mention, although they took the hard decision following the election to eliminate the contract for the EH-101 helicopters, of the cancellation costs for those contracts. There seems to be no mention in the red ink book about replacement costs. It is obvious if we are going to have a lean but effective military that those helicopters will have to be replaced. Yet there seems to be no costs for those things built into this budget statement.

The Budget

I would ask the hon. minister where those cost estimates are and why they are not part of the projected costs for the government.

Mr. Collenette: Madam Speaker, the cancellation costs for the EH-101 will be borne in the overall budget rather than in the general budget revenues, thankfully not out of the defence revenues. The President of the Treasury Board perhaps could address that when he tables the estimates and it will be very clear.

The other question was what would we do to replace the EH-101s. If the defence review believes that we should have this capability, and I assume it will because we need a search and rescue craft, the old Sea Kings will be okay until the end of the century, but they will have to be replaced.

Obviously their replacement will have to come out of this drastically reduced budget. Not only did we cut \$7 billion yesterday, added to the \$14 billion the Conservatives had cut, but out of that we have to fund ongoing operations and also new equipment purchases such as a potential replacement, probably off the shelf, for the Sea King helicopters some years in the future.

[Translation]

Mrs. Francine Lalonde (Mercier): Madam Speaker, in the House of Commons of Canada, February 22, 1994 will remain the day of broken promises and betrayed hopes. A number of Quebecers and many Canadians believed the leader of the Liberal Party when he promised jobs, jobs, jobs. Unfortunately for them, it was only a flashing slogan, but nevertheless an election campaign slogan.

Broken promises, betrayed hopes by a party that promised to break with the Conservative policies and management, but whose budget is blatantly in line with and even reinforces the financial, fiscal, economic and social policies of the previous government.

The budget speech shows clearly that this government does not have the slightest political will to address unemployment. It does not have any employment policy except a few devices such as the infrastructure program, which will only mean about 15,000 non permanent jobs for all of Quebec for two years. Even worse, instead of addressing unemployment, this government is attacking the unemployed and the most vulnerable people in our society. Indeed, the Minister of Finance immediately announced, without any embarrassment, that he intends to cut social programs in order to collect more than \$ 7.5 billion by 1996-97.

Let us look at these points one by one. On employment, not only does the government not have an employment policy, but it has seriously harmed employment.

(1745)

It must be pointed out that this government, as early as January, increased unemployment insurance premium rates, thus adding a further \$800 million to the tax burden of businesses and workers. The finance minister went so far as to recognize, as the Bloc Québécois had maintained on several occasions, that this kind of payroll tax harms employment and businesses which are more labour-intensive than technology-driven.

Make no mistake about it, even though the minister recognized that such a tax was bad for employment and businesses, he has not reduced it yet. He has maintained it for the remainder of 1994. It is only next year, when it will have taken \$800 million from workers and businesses, that he will bring it back to its 1993 level. He will do so, not only when it will have produced \$800 million, but also after benefits owed to workers will have been reduced.

Therefore, such a measure compounds non-productive decisions which, far from helping the employment situation, make it worse. It is no wonder that the finance minister is forecasting in his budget that unemployment rates will only drop from 11.2 per cent in 1993, to 10.8 per cent in 1995. We know that Ms. Campbell paid dearly for similar comments she made early in her campaign. They are taboo during an election campaign.

Let us talk about unemployment insurance. According to the minister's projections, it is more than \$5 billion he will save in that area. Let us see what he is planning and who will suffer. By increasing the minimum number of weeks a person must work to qualify for UI, especially the first time around, one will have to work 40 weeks to be entitled to 20 weeks of UI; by reducing the duration of benefits, the finance minister is pushing many people, especially in areas already economically depressed and those who are already experiencing major difficulties, on welfare. In so doing, the minister is passing the buck to the provinces, since there will be no jobs. He is making the poor poorer.

This flies in the face of the official discourse to the effect that we must bridge the ever widening gap between social classes and their income discrepancies. On the other hand, the finance minister proudly announces special measures in favour of the least fortunate members of our society. He is proud to say for instance that individuals with a weekly income of \$390 who support dependants would receive 60 per cent of the average business income. But these individuals are already in a position such that they will not be receiving more than \$234 a week in benefits. He stated that the benefit rate would increase to 60 per cent, but see under what conditions. This is important. It has not been emphasized yet.

Let us not forget that, in Quebec and probably other provinces as well, social assistance services have reported cases of single mothers who have suffered humiliation as their private lives were brought under scrutiny because they did not qualify for

The Budget

this or that benefit because they had dependant children. So, when the minister introduces this notion of dependant children to justify bringing the UI benefit rate down from 57 to 55 per cent for all recipients, a rate which is getting close to the US rate by the way, when the minister uses that excuse to say: "How generous. We do have the well-being of the less fortunate at heart", he is actually taking us back to the dark old days when women had to prove they were worthy in their private lives of being recognized as independent, single mothers who needed adequate support.

(1750)

That is why I want to denounce as a fraud a budget speech which is supposed to be liberal and progressive, but is in fact bringing us back to the days before the 1970s reform. This measure will open the door to all sorts of inquiries, nit-picking, whistle-blowing and create a system within a system, again, to save about \$10 a week.

Chances are that this measure will not cost much, considering how long it takes for a decision to be made and for the first UI cheque to be issued. It is not true that we are creating this wonderful world. On the other hand, we are setting ourselves a dangerous course with this widespread consultation on social programs. The government is leaning toward the concept of family income, a concept which, in so far as social assistance is concerned, plunged us into a kind of inquisition situation which I denounced earlier.

The axe will also fall on seasonal workers, on those who have trouble finding steady work either because they are young, lack basic experience or work in areas where despite their qualifications, they cannot find work. These are the people who benefit from the 10/42 or 10/39 system.

Instead of attacking the regions' structural problems, the government is shifting the burden of responsibility onto individuals and restricting their access to unemployment insurance and to the benefits to which they are entitled. What is the Minister of Finance doing to resolve the problems of those who are in need? Nothing. He has failed to propose any solutions. Worse still, he has scrapped several tax incentives and regional subsidies, leaving people in the regions without any hope at all.

The extent of the cuts to unemployment insurance and the introduction of the concept of family income prove to anyone who may have doubted it that with its attempt at the so-called modernization and restructuring of social security programs, the government is merely turning the clock back to the 1970s. At the same time, the Minister of Finance and the Minister of Human Resources Development are resurrecting the old ghosts of the 1970s. They are proposing to take a trip down memory lane and

to reinstate the outdated, archaic concept of basing benefit levels on family status.

The government is announcing a reduction of more than \$5.5 billion in the unemployment insurance budget over the next two years. And that is not all. That is only one aspect of the upcoming social program reform.

We cannot help but be concerned about another aspect, namely social assistance reform, and the more than likely decision on the part of the government not to renew the Canada Assistance Plan. It is indeed cause for concern because it is specific. As for total savings, the Minister of Finance says that the reform will have to result in savings of more than \$7.5 billion by the end of 1996-1997. That is his objective and the consultation currently being planned may in fact never take place.

Three clear, inescapable conclusions can be drawn from the budget figures. First, the only major cuts announced in this budget—and I am not saying that the cuts to the military are not major, but when compared to cuts to social spending, they are minor—for the next two years affect social programs, more specifically, the unemployed and those who are often the most vulnerable.

Second, the Minister of Human Resources Development cannot continue making fun of Quebecers and Canadians any longer by pretending to consult them about their priorities and concerns, since his own priorities and concerns, namely moving ahead with cuts, are reflected in the budget.

(1755)

I urge him, Madam Speaker, to immediately table his reform project and to get rid of these experts at \$500 a day plus expenses.

Third, if the finance minister is able to assess so accurately the effects of reform, it must be because his government's project has been ready for a long time since it is that of the Conservatives.

We can understand by looking around us and guessing the rest why, early in the election campaign, Ms. Campbell shied away from the possible consequences of reform. She was not as cynical as this government, elected to create jobs, which is sticking to its predecessor's policy of cutbacks.

It must be said that, in their time, the Conservatives followed the Liberals' policy. They implemented all major recommendations of the Macdonald Commission created by former Prime Minister Trudeau, except for one, income security reform. That is where we are now. We are looking at the Macdonald Commission's plan, with variations we may admire, of course, but most of that plan is there, with details we can guess at.

Declarations by the minister followed on the heels of declarations by the deputy ministers. We must not forget that the deputy ministers who briefed the minister are the same ones who

The Budget

briefed the former government, who briefed Mr. Benoît Bouchard before the OECD conference held on the 8th and 9th of December in Paris, where Mr. Bouchard gave a speech that the Minister of Human Resources Development could not disown, that could even be his.

Does this mean that there is no other way to play politics than the way of Liberals and Conservatives? For the Liberals, the answer is no. Until Canadian federal parties escape from the clutches of the big corporations that finance them and whose interests prevail government after government, Canadians will have a choice between six of one and half a dozen of the other.

Why did the finance minister refuse to go after the real sources of revenue and to ensure that large corporations pay taxes by blocking the royal road to tax shelters. Fortunately, and I was happy to see that our finance critic came to the same conclusion, Quebecers exercised that prerogative thanks to the late René Lévesque. No one is saying that governments are not in a difficult situation, but nothing less than equity between individual and corporate citizens is acceptable.

Without this fairness, citizens are tricked, manoeuvred and manipulated by a clique who are not affected by the many and growing insecurities of ordinary people. They do not even have an idea of what it is like to be afraid of losing a meagre unemployment insurance or welfare cheque. They do not know the humiliation and anguish caused by the raised eyebrows of all the welfare and unemployment insurance officials in the land. They could not live for a single day on what a woman has to raise two children on for a whole month. And now this woman will have to prove that she really is the head of the family and that her personal income is such that she is entitled for a few weeks to 60 per cent of not much, scarcely more than the minimum wage. The minister tells us about the responsible management of social programs.

It is both scandalous and revealing that the Minister of Finance forgot to attack costly duplication, a big source of potential savings, in his speech. It shows that this government lacks the will to deal with this important issue, especially with the Government of Quebec. It also shows this government's desire to centralize and its eagerness to meddle in fields of provincial jurisdiction.

Mr. Speaker, I will tell you something, and I thought about it twice. I had heard that the Minister of Human Resources Development was a progressive man whom I could help, in the strange way that the Official Opposition usually does. Now I know that is not at all the case; despite his generous words, he agreed to make the only significant cuts which the Liberal government is making at the expense of the most vulnerable people and their children. The Minister of Finance told us today, "We are advancing social security reform by taking specific

measures affecting unemployment insurance and federal transfers to the provinces for social security".

We say to the Minister of Finance that he has not advanced social security reform. He has shamefully attacked the most disadvantaged. He has refused to attack the main cause of all these problems, employment. He has also refused to attack seriously the most important sources of potential savings: family trusts, defence and duplication. Because we in the Bloc reject this vision, which is the same as the one previous governments had, we want the people of Quebec to have a real plan for the future, which can only come about if Quebec goes it alone as a sovereign state, even though that will not be easy.

(1800)

[English]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I was paying attention to the hon. member's speech and I was quite puzzled by some of the statements she made, particularly in relation to unemployment insurance premiums.

I recall a few weeks back when the hon. member was complaining that perhaps the premiums were too high at \$3.07. Now we have reduced them so that we can give the type of relief to small business to go ahead and create over 40,000 jobs.

I will tell the hon. member that one thing she will learn very quickly in this House is that inconsistencies are quite dangerous, when we promote certain ideas in the House of Commons, particularly as a member of the opposition.

I am also quite puzzled by the fact that the hon. member would say that this government is not addressing the concerns of young people. Perhaps the hon. member should be reminded of the establishment of the Canadian youth corps and the national apprenticeship training program that this government introduced. It was part of our red book initiatives.

It is fundamental for the hon. member to understand that the issues we have raised in the budget are quite consistent with the commitments made in the red book. I will tell the hon. member why that is important. In case she has forgotten, that red book was what gave us one of the strongest—

The Deputy Speaker: Order. There are three people who wish to make a comment or ask questions. I do not think the purpose of this is to have a speech from the hon. parliamentary secretary. Would he make a brief comment or ask a question so that other members may participate in this part of the debate.

Mr. Bevilacqua: Mr. Speaker, you may have been aware that there were three people who wanted to participate. I thought I was the only one who had the floor at this time and that is why I raised those issues.

The Budget

There is some inconsistency. We have to really give a fair assessment of what this budget does. The budget does address the commitments made in the red book. I do not think it is fair for the hon. member for Mercier to somehow tell the Canadian people that it does not.

Mrs. Lalonde: Mr. Speaker, the inconsistencies are not on my side. When the government was elected it had the choice as to whether or not to raise UI premiums. The finance minister yesterday said that the raising of UI premiums is bad for small enterprises and for jobs. However, the government raised them from \$3 in December to \$3.07 in January 1994 for small businesses.

If the hon. member does not know it, he should look at the facts. The inconsistency is to say that it is bad for enterprise, taking \$800 million from the economy and then a year after going back to \$3.

The government was inconsistent by saying it was not good and then doing it. I am glad that it has done it. For me it was a pleasure to read that it is not good because it has done it.

(1805)

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I listened with great interest to the remarks of the member.

What came to my mind is a quotation from Jesse Jackson, the American political activist, who stated that it was not the poor that attended the banquet of the 1970s and 1980s when we saw deficit financing by the Liberal and Conservative governments that created the inflation and tremendous increase in wealth and real estate, stocks and bonds, the over-indulgence to leverage buyouts, the huge waste of public money and private corporate money. It was not the poor that attended the banquet, but it is the poor that gets stuck with the bill.

Does the hon. member agree with Jesse Jackson's analysis and also agree that what this government is doing is presenting the poor with the bill even though the poor were not responsible for creating the deficit and the financial mess we are in.

[Translation]

Mrs. Lalonde: Mr. Speaker, I thank the hon. member for his comment. I think he could draw his own conclusions from that document.

The fact is that there are people right now who do not have access to secure jobs. I mentioned in particular young people, women, many who live in remote regions, and others as well. In Quebec, more than 4,000 bright young engineers are unemployed. These people can only rely on the social safety net which the government wants to make even smaller, on top of making them pay for the inconsistencies of successive governments.

[English]

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I thank the hon. member for Mercier for her speech.

She made reference in the last sentence to Quebec sovereignty. Earlier this afternoon the first speaker for the Bloc spoke of Canadians and Quebecers. In referring to Canadians and Quebecers and to Quebec sovereignty, are the members of the Bloc Quebecois Party referring to Quebec separation from Canada?

[Translation]

Mrs. Lalonde: Mr. Speaker, it is no secret that Bloc Quebecois members were elected on a platform that promotes Quebec's sovereignty. However, they are not in Ottawa to achieve that but, rather, to protect Quebec's interests. Quebecers respect and appreciate Canada, but during all these years of attempting to make reforms which would have given appropriate status to our province, the notion that enough is enough gradually grew stronger.

Instead of wasting time and let intolerance grow, for the very reason that there is so much poverty and unemployment, let us put all our energy into finding a solution to those problems. To that end, Quebec must assume all powers and develop the best possible relations with Canada. This is what I was referring to.

[English]

Mr. Paul Szabo (Mississauga South): Mr. Speaker, I will be brief. The point about sovereignty has been raised.

On a financial issue in that regard, the member concluded that as a result of the inconsistencies therefore the answer must be that a sovereign Quebec will be the solution.

I wonder if the member would care to advise the House how much of the \$500 billion national debt Quebec is prepared to assume and how it intends to finance that and survive as a separate country.

The Deputy Speaker: Before the hon. member for Mercier responds, with the Speaker having just left, I must remind members to please put their comments to the Chair. He gets quite upset if you do not do that.

(1810)

[Translation]

Mrs. Lalonde: Mr. Speaker, you will understand, and so will the hon. member, that the Bloc does not have a mandate to negotiate what will be a normal settlement under the circumstances. Assets, liabilities and the repayment of the debt will have to be examined. Some people in Quebec have already looked at this and I imagine that others are doing the same in Canada.

*The Budget**[English]*

Mr. John Cannis (Scarborough Centre): Mr. Speaker, I listened to the member and her compassionate approach. She brought back memories of the short lived Prime Minister and what price she had to pay in the most recent process.

Never before have inclusion and consultation taken place with respect to putting the budget together. There is no question the minister has gone from coast to coast to coast. He opened up the process. He listened to the people. Based on what they told us he delivered with respect to the RRSPs and capital gains.

The member spoke about manipulation and humiliation. I do not see any manipulation in going out to the people and asking them what we can give them and for their input so that we can put a package together that will be good for all in Canada.

There were no tax increases. Does the hon. member not think that putting \$300 million back into small businesses as a result of the reduction in the UIC will enhance their opportunities to hire people?

Mrs. Lalonde: I will say again that the raising of the UI premium has deprived small enterprises of opportunities to have more employees. I will not go back on that.

[Translation]

As for consulting, nobody is saying that the Minister of Finance did not consult people. In fact, as a member of a committee, I can say that I would appreciate being able to hold such consultations across the country, although I am aware of the cost of such an exercise. However, it may be that the minister did not consult enough young unemployed people, unemployed single mothers and others who will be adversely affected by the new system. In fact, the only ones who will really be penalized are precisely those who were not consulted.

[English]

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I will be splitting my time with my colleague from York—Simcoe.

As I was writing this, my maiden speech, I realized it was fitting to talk about my riding since I believe the success of the federal riding of Waterloo embodies the spirit of the government's budget plan.

My riding encompasses the city of Waterloo, part of the city of Kitchener, and Woolwich township in the heart of southwestern Ontario. I am proud to say the Canadian Chamber of Commerce recently selected this area as one of five model Canadian communities from which to seek advice in order to help other communities in their aim for success.

In addition, provincial government projections show that Waterloo region will be the fastest growing region in Ontario over the next two decades. My riding has been successful

because there has been a partnership of business, academic and local government communities supported by the broader constituency. This has made Waterloo riding work.

As the government stated in the red book upon which the budget is based, we must do more with what we have by stressing the notion of partnership with all sectors of society and by taking advantage of economic and social opportunities that can only be realized when all of us are working together.

As an example we in the Waterloo region have what is called spinoff companies. These companies have used technology and human resources transferred from the university community as a prime ingredient in their business. These companies have already created over 2,000 jobs in Canada. The concept of universities and businesses working together is outlined in the budget.

Waterloo riding, apart from having many companies in the new information based economy, also has many traditional companies doing well. That is not to say we have not had our share of companies and people deeply affected by the recession: names such as Seagram's, Uniroyal, Goodrich, Labatt's and others. That is why the budget is important, as it creates the environment wherein businesses can grow and flourish to create the jobs which will put these constituents and others like them across Canada back to work.

(1815)

To the victims of the recession and the evolution of the economy we need to show compassion. The status quo will not do for the 1.5 million unemployed Canadians and the millions who rely on assistance. I applaud the government for undertaking a major effort to build a responsible social security system that is fair, compassionate and affordable.

Canadians deserve a hand up, not a handout. The ultimate social program we can design should provide an economic climate so that every Canadian who is willing and able to work can find meaningful work. When Canadians work Canada works.

In particular the budget supports the small and medium sized business sector which will continue to be the number one creator of jobs in Canada. This holds true in my riding as well. Our strong economy is helped greatly by their entrepreneurial drive. The global economy is not just a catch phrase of local businesses; it is an integral part of their market.

The concept of networks of organizations outlined in the agenda of the budget has been practised in my riding for some time now. Local businesses, civic leaders and academics have formed networks for exporting, environmental companies, computer technology firms and total quality management. Total quality management practised for years by local governments in my riding has become a plan that will be pursued by the government with its commitment to streamlining government

The Budget

operations and reducing spending to make them more efficient and effective.

The Prime Minister and the Minister of Finance are to be applauded for recognizing the concerns of my Liberal colleagues and myself that middle class Canadians would not tolerate an increased tax burden. I am pleased to note the Minister of National Defence has taken courageous steps in the budget to rationalize the excessive national defence infrastructure on the basis of need and function. He is further committed to examining my concern about government waste, including government moves, a commitment to cost savings and efficient operations in government. That has always been part of my public life and continues to be so in the House.

In keeping with this idea we should debate expanding the number of seats in the House. It is my strong wish that any reallocation of boundaries be reconsidered in keeping with the central premise that the number of MPs be restricted to the present number of 295. Canadians do not want more politicians; they want us to do more with what we have.

People in the community have also been working on creating a community venture capital fund by which the community could support its own entrepreneurs through capital investments. It is ideas like this one which embody the spirit of programs such as our Canada investment fund.

Environmental issues are not simply a current trend in my riding. The University of Waterloo has been a leader in environmental studies education for years. The Waterloo public interest research group was created by students from the University of Waterloo 20 years ago. Through voluntary contributions of time and money it has spent over \$1 million on consumer and environmental concerns. Environmental related companies are a growing segment of our business community.

For this reason I join with Friends of the Earth to applaud the finance minister who is the first ever to speak about sustainable development in a budget speech and the government's commitment to this end.

To achieve this objective the budget outlines the establishment of a task force involving government, industry and environmental NGOs to identify barriers and disincentives to sound environmental practices and to find effective ways in which to use economic instruments to protect the environment.

The expertise of the riding's workers, managers and entrepreneurs is enhanced by the presence of the post-secondary institutions mentioned previously, namely Conestoga College, the University of Waterloo and Wilfrid Laurier University. These world class institutions participate in explicit transfers of expertise through their excellence in co-operative education and apprenticeship programs.

The riding can enjoy a recruitment advantage in this well trained pool of potential employees. As a result the post-secondary institutions of the Waterloo region offer their expertise to the community well before their students graduate.

(1820)

Until now there has been an alarming trend for our best resources, these students, to look for a future in other countries. It was a sad commentary that these students were looking to companies such as Microsoft in the United States for jobs. In effect we had our own brain drain.

I am happy our government has addressed this problem by active promotion of programs such as the Canadian technology network and engineers and scientists program to keep our most precious resource, our youth, in Canada.

Our commitment to established programs financing expenditures to universities will be maintained. This government is concerned with education and literacy as demonstrated by fully restored funding to the national literacy program. This is important to my riding as well.

The public and Catholic school board systems offer high quality education to our region's students. Both offer progressive innovative opportunities for individuals in the region. The public school board offers the opportunity for the region's workers to complete their high school diploma through on site classrooms in the workplace. As well, the separate school board is world renowned for placing a priority on full and successful integration of challenged students into the mainstream classroom.

As the finance minister said yesterday, the budget reduces the deficit by \$6 billion next year and by \$7 billion the year after. This is an important accomplishment in light of the fact that the previous government underestimated the deficit we inherited by \$13 billion. Over the next three years for every dollar of deficit reduction on the revenue side there are \$5 of spending cuts by this government.

What was demanded by Canadians in pre-budget consultations was a fair and equitable budget. This has been presented by our government. It is our commitment to make this government transparent. We will work together, as I know personally from my riding that Canadians can, to build a partnership that will create opportunity for this country. This budget is the foundation that will make that happen.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs): Mr. Speaker, I congratulate the hon. member for Waterloo on his excellent speech.

The Budget

I remind him that the neighbouring riding of Kitchener is also encompassed within the model community cited by the Canadian Chamber of Commerce.

The hon. member is well known in the area for his interest in and knowledge of environmental matters. I was wondering how the budget would affect the Waterloo riding and community. He referred to the Friends of the Earth comment about the finance minister and this particular budget. Waterloo is an area where environmental related businesses are most prominent. Is it likely that those businesses will be assisted by this budget?

Mr. Telegdi: Mr. Speaker, I thank my colleague and neighbour from my sister riding.

There is no question that the Waterloo federal riding and my community has a great history of involvement in environmental matters.

I refer to a situation which probably started in terms of heightening environmental awareness in Canada. In the Love Canal in the United States toxic substances were impairing the lives of people. The company working on that was Conestoga-Rovers which is located in Waterloo. It is one of many companies that has started up in our region.

I can say to the member for Kitchener that yes, this budget will very much enhance those operations. We hope to be one of the centres of excellence. I believe we already are and we can build on that to make sure in the new economy Canada gets its fair share of international business for cleaning up the environment.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I thank the hon. member for his speech. I would like to ask him a question about the budget.

Does the hon. member have an opinion as to the consequences this nation will face if we add another \$100 billion to the federal debt in the next three years? There is no indication within the budget speech or the budget itself of any such consequences.

Would the hon. member care to comment on it?

(1825)

Mr. Telegdi: Mr. Speaker, it was not too long ago that I and many of my colleagues were debating these very questions at all-candidates meetings. I have always been amazed at the extent to which it was hard to get the point across, particularly to members of the Reform Party.

Our position has been very consistent. It is in our red book. We went to Canadians. We told them about it. We put the plan forward and it is the foundation for everything we do. I believe this is where we differ from their approach. Fundamentally, we as Liberals believe in making this economy grow. We have

outlined in our expenditure program that is exactly what we are going to do.

The Reform position was that it would eliminate the deficit within three years. Our position was that we would cut back the deficit to 3 per cent of the GDP in three years. The leader of the Reform Party has stood up on different occasions and challenged the government to attain that 3 per cent of the GDP. From looking at this budget and from studying the figures my answer is that we can.

I have to say to my friend from the Reform Party I hope he will stand in this House and applaud when we do accomplish that. We believe we have to make this economy grow. We cannot shrink it. If the economy shrinks we will go back into a recession. We have to believe in ourselves and we have to believe in the Canadian people.

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, as a new member of Parliament I am pleased to deliver my maiden speech.

I am humbled by the history of this place and yet comforted to be part of the long tradition of Canadian democracy. This is not to say that tradition is static, unchanging. In fact, this is far from the case. Tradition, particularly the Canadian parliamentary tradition has adapted and evolved throughout the history of this institution.

There are many pressures on Parliament, on government and on parliamentarians to transform the way government operates. Economic, social, environmental, technological, political and global forces all act in different ways to challenge, to push and pull, to mould a new kind of relationship people have with their institutions. The Minister of Finance and the government recognized and welcomed this.

As a result the Minister of Finance has set upon an unprecedented budgetary process, a process that does not end with this one finite document. It is a process that if allowed to develop fully will lead to a new kind of partnership, a real and meaningful partnership among the people of Canada, their government, and their social and economic institutions.

It is only when we are able to understand the full extent and nature of our problems and when we undertake exploration of the widest possible range of solutions that we will ever begin to address the tough economic problems that affect our nation.

Canada has a rightful place as a leader among the nations of the world in the 21st century. Through the kind of consultation process the Minister of Finance has just begun we will not only solve our own problems successfully but we will also provide a model for other countries to emulate. The Minister of Finance has given all of us a great opportunity to work together and let our voices be heard, let our ideas be tested, let our vision of Canada meld with the rest to form the Canada we all want.

The Budget

We have a difficult and challenging task before us: to restore integrity to government and erase public cynicism. As one parliamentarian I stand here today and say to the constituents in York—Simcoe, to Canadians from across this land, and to my colleagues on the other side of this House: We have the political will to open dialogue. We have the political will to renew the social, economic and political institutions of the country.

(1830)

This is the reason I decided to run for office. I believed it is important, now more than ever, to rebuild the trust that has been broken between the people of Canada and their elected officials. I am sure that many of my hon. colleagues in this House have similar goals.

As Canadians, the most important thing we can remember is that we are in this together.

When I was elected a member of Parliament I did not stop being a citizen of Canada. I also have a stake in this. I have a family that I love dearly, a community that I am committed to and I have a country that I honour.

Like other Canadians across the nation, like my hon. colleagues on both sides of the House, I want this country to succeed. I want this Parliament to succeed.

My colleagues and I need all Canadians to have patience because as the hon. Minister of Finance said yesterday in his speech, the challenge today is not to rush. The challenge is to get things right.

We are not asking Canadians to have patience while the government sits back and does nothing. We have acted on our commitments and will continue to do so. We have fulfilled our promises to reinstate the court challenges program and to implement the national infrastructure program, the youth services program, the aboriginal head start program, the women's centres of excellence, the Canadian technology network, as well as many others.

The red book lives in this budget.

We need to have an opportunity for ideas to be generated and tested without being torn down. Creative juices are quick to freeze in a climate of frosty, unconstructive criticism. Now more than ever, it is necessary to develop alternative understandings and approaches to problem solving.

To paraphrase Albert Einstein, everything has changed but for our way of thinking.

If we are to approach government differently, we must all understand that not only government must change but we must change as well.

The Deputy Speaker: Order, please. I am very sorry to interrupt the member during her maiden speech but is there unanimous consent to let her finish, another four or five minutes?

Some hon. members: Agreed.

Mrs. Kraft Sloan: I thank my hon. colleagues in the House for the patience they have shown me.

Government has a responsibility for taking leadership to create the framework and environment necessary for open, inclusive dialogue. The issue now is for government to continue to build on the consultation process that has led up to this budget.

As members of Parliament we can support this process in our own ridings.

Fairness and equity are important principles upon which this budget is based. These principles must continue to be the cornerstones upon which the consultation process rests.

Equity is served when consultation is inclusive, when all perspectives that represent the differing aspects of Canadian diversity are respected and validated.

Our diversity arises from geography, race, religion, ethnicity, age, gender, sexual orientation, physical and intellectual capabilities, class, education and physical appearance, among many others. Equity is served when our intergenerational responsibilities are acknowledged, when our global roles and relationships are honoured.

Equity is also served when the natural environment is respected.

All costs, be they social, health or ecological, are economic in the long run. It is very important that the government, through these consultations, finds a way to include a new accounting, a new way to value the ecological and health benefits and costs that government programs, subsidies and taxes provide.

This new, ongoing budgetary consultation process, coupled with the review and renewal of major government departments and policies, particularly human resources, health, defence, and industry, means that this government is serious about taking action to meet the central challenges facing this nation.

This results in the kind of responsible government Canadians demand and deserve.

It was in my riding of York—Simcoe where the seeds of responsible government were first sown in Upper Canada. It was here that the rebel, William Lyon Mackenzie, joined forces with the farmers and small business owners to challenge the Tory family compact.

Although it has been over 150 years since responsible government has been instituted, the descendants of these rebels have carried on the tradition of farming and operating small businesses in York—Simcoe, a riding which I am proud to represent.

Today their farms grace the landscape of New Tecumseh, King, east and west Gwillimbury. The world famous Holland Marsh is located near Bradford. Small businesses were and are still the heart of the economic engine in communities like Newmarket and Bradford. Their trades have always been carried

The Budget

out along the main streets of the villages of Sutton, Keswick, Mount Albert, Beeton, Tottenham, Pefferlaw and Schomberg.

My riding of York—Simcoe is also graced with the beautiful beaches of Georgina along Lake Simcoe. A tourist trade booms here all year long with boating in the summer and ice fishing in winter.

We are also fortunate to have a First Nations band, the Chippewas of Georgina Island. This band is determined to achieve its inherent right of self-government.

I am privileged to stand here today as a representative of a riding that reflects the diversity of this great nation. The 35th Parliament is a milestone in the Canadian parliamentary history

as it, far more than any other, is representative of the rich tapestry of Canadian diversity.

Sitting in this Chamber I look around at my colleagues on both sides of the House and I know that we are merely passing through. This institution will exist long after the pages of *Hansard* fade and crumble.

As parliamentarians we will be measured by the respect that we show all Canadians.

The Deputy Speaker: It being 6.35 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.35 p.m.)

TABLE OF CONTENTS

Wednesday, February 23, 1994

STATEMENTS BY MEMBERS

Black History Month

Ms. Clancy 1717

Winter Olympics

Mr. Jacob 1717

World Cup Biathlon

Mr. Breitkreuz (Yellowhead) 1717

Canada Student Loans

Mr. Duhamel 1717

Winter Olympics

Mr. Arseneault 1718

Toronto Daily Bread Food Bank

Mr. Assadourian 1718

Winter Olympics

Mr. Pomerleau 1718

Max McLean

Mr. Ramsay 1718

Nova Scotia Teacher's College

Mrs. Brushett 1719

Chamber of Maritime Commerce

Mr. Dromisky 1719

Forestry

Mr. Fontana 1719

Collège militaire de Saint-Jean

Mr. Bachand 1719

Indian Affairs

Mr. Duncan 1720

The Budget

Mr. Gagnon (Bonaventure—Îles-de-la-Madeleine) 1720

Small Business

Mr. Dhaliwal 1720

Fight Against Organized Crime

Mr. Bernier (Beauce) 1720

ORAL QUESTION PERIOD

The Budget

Mr. Bouchard 1720

Mr. Martin (LaSalle—Émard) 1721

Mr. Bouchard 1721

Mr. Martin (LaSalle—Émard) 1721

Mr. Bouchard 1721

Mr. Martin (LaSalle—Émard) 1721

Mr. Loubier 1721

Mr. Martin (LaSalle—Émard) 1721

Mr. Loubier 1722

Mr. Martin (LaSalle—Émard) 1722

Mr. Manning 1722

Mr. Martin (LaSalle—Émard) 1722

Mr. Manning 1722

Mr. Martin (LaSalle—Émard) 1722

Mr. Manning	1722
Mr. Martin (LaSalle—Émard)	1722
Mr. Brien	1723
Mr. Martin (LaSalle—Émard)	1723
Mr. Brien	1723
Mr. Martin (LaSalle—Émard)	1723
Mr. Harper (Calgary West)	1723
Mr. Martin (LaSalle—Émard)	1723
Mr. Harper (Calgary West)	1723
Mr. Martin (LaSalle—Émard)	1723
Mr. Duceppe	1724
Mr. Martin (LaSalle—Émard)	1724
Mr. Duceppe	1724
Mr. Martin (LaSalle—Émard)	1724
Mr. Speaker (Lethbridge)	1724
Mr. Martin (LaSalle—Émard)	1724
Mr. Speaker (Lethbridge)	1724
Mr. Martin (LaSalle—Émard)	1724
Mrs. Lalonde	1725
Mr. Axworthy (Winnipeg South Centre)	1725
Mrs. Lalonde	1725
Mr. Axworthy (Winnipeg South Centre)	1725

Advance Payments for Crops Act

Mr. Steckle	1725
Mr. Goodale	1725

The Estimates

Mr. Williams	1725
Mr. Martin (LaSalle—Émard)	1726
Mr. Williams	1726
Mr. Martin (LaSalle—Émard)	1726
Mr. Gauthier (Roberval)	1726
Mr. Martin (LaSalle—Émard)	1726
Mr. Gauthier (Roberval)	1726
Mr. Axworthy (Winnipeg South Centre)	1726

Indian Affairs

Ms. Meredith	1726
--------------------	------

Mr. Irwin	1726
Ms. Meredith	1727
Mr. Irwin	1727

National Defence

Mr. Caccia	1727
Mr. Collenette	1727

Collège militaire royal de Saint-Jean

Mr. Jacob	1727
Mr. Collenette	1727

Points of Order

Withdrawal of Request for Delay

Mr. Bhaduria	1728
The Speaker	1728

GOVERNMENT ORDERS

Defence Policy

Consideration resumed of motion of Mr. Collenette	1728
Motion agreed to on division: Yeas, 202; Nays, 49	1729

ROUTINE PROCEEDINGS

Borrowing Authority Act, 1994-95

Bill C-14. Motions for introduction and first reading deemed adopted	1729
Mr. Massé	1729

Income Tax Act

Bill C-15. Motions for introduction and first reading deemed adopted	1729
Mr. Rock	1729

PETITIONS

Immigration

Mr. Marchand	1729
--------------------	------

Social Housing

Mrs. Gagnon (Quebec) 1729

Canada Post Corporation

Mr. Chrétien (Frontenac) 1730

Criminal Code

Mr. Hill (Prince George—Peace River) 1730

Questions on the Order Paper

Mr. Milliken 1730

Motions for Papers

Mr. Milliken 1730

GOVERNMENT ORDERS**The Budget****Financial Statement of Minister of Finance**

Consideration resumed of motion on the budget. 1730

Mr. Loubier 1730

Amendment of Mr. Loubier 1739

Mr. Speaker (Lethbridge) 1739

Amendment to the amendment 1742

Mr. Collenette 1742

Mr. Bellehumeur 1742

Mr. Collenette 1743

Mr. McClelland 1746

Mr. Bachand 1747

Mr. Hill (Prince George—Peace River) 1747

Mrs. Lalonde 1748

Mr. Bevilacqua 1750

Mr. de Jong 1751

Mr. Mayfield 1751

Mr. Szabo 1751

Mr. Cannis 1752

Mr. Telegdi 1752
Mr. English 1753
Mr. Ramsay 1754
Mrs. Kraft Sloan 1754